Annual Financial Statements 2024

MANAGEMENT REPORT FOR THE GROUP AND PARENT COMPANY

ANNUAL FINANCIAL STATEMENTS OF THE PARENT COMPANY ACC. TO HGB

COMBINED MANAGEMENT REPORT

Notice of unaudited sections in the Combined Management Report of United Internet AG for the Company and the Group as of December 31, 2024

In addition to regular management report disclosures, it is possible that reporting may also include non-management report-related disclosures (those not required by law) which are not subject to a substantive audit by the auditor. Moreover, certain information may not be verifiable by the auditor: such "non-auditable information" cannot be assessed by the auditor due to the nature of the disclosures or the absence of suitable criteria. In the Combined Management Report of United Internet AG for the Company and the Group as of December 31, 2024, the following chapters or disclosures were identified as "non-audited management report disclosures":

- The disclosures made in the subsection "1.4 Main focus areas for products and innovations" are "non-audited management report disclosures", as the content of "non-management report-related disclosures" is not audited.

- The "quarterly development" tables contained in the subsections "2.2 Business development" and "2.3 Position of the Group" with key financial figures on a quarterly basis for the segments and the Group are "non-audited management report disclosures" as United Internet does not subject its Interim Financial Statements to a review or audit. The quarterly figures are marked accordingly as "unaudited".

- The German Corporate Governance Code (the "Code") recommends disclosures on the internal control and risk management system. These go beyond the statutory requirements for the management report and are not included in the auditor's review of the content of the management report ("non-management report-related disclosures"). In chapter 5 "Internal control and risk management system", they are thematically assigned to the main elements of the internal control and risk management system and are separated from the disclosures to be audited by separate paragraphs and marked accordingly as "unaudited".

- The disclosures made in chapter "7. Declaration on Company Management" are "non-audited management report disclosures" as an audit of the disclosures contained in the Declaration on Company Management in accordance with section 317 (2) sentence 6 German Commercial Code ("Handelsgesetzbuch" – HGB) is limited to the fact that the information has been provided and the Corporate Governance Report in chapter 7 constitutes a "non-management report-related disclosure" which is not subject to a substantive audit.

General notes

- Due to calculation processes, tables and references may produce rounding differences from the mathematically exact values (monetary units, percentage statements, etc.).
- For reasons of better readability, the additional use of the female form is omitted in this report. United Internet would like to stress that the use of the masculine form is to be understood purely as the gender-neutral form.
- These Annual Financial Statements are available in German and English. Both versions can also be downloaded at www.united-internet.de. In all cases of doubt, the German version shall prevail.

1. GROUP AND COMPANY PROFILE

1.1 Business model

Group structure

Founded in 1998 and based in Montabaur, Germany, United Internet AG ("United Internet") is the **parent company** of the United Internet Group.

Together with its service company United Internet Corporate Services GmbH, United Internet AG focuses mainly on centralized functions in the areas of Finance, Corporate Controlling & Accounting, Tax, Investment Management, Press Relations, Investor Relations, Legal, Corporate Governance, Compliance & Sustainability, Risk Management, Corporate Audit, HR Management, Facility Management, Procurement, and Corporate IT.

Compared to the previous year, the Group structure as of December 31, 2024 is largely unchanged from the previous year.

Operating activities in the **Consumer Access segment** are mainly managed by the companies Drillisch Online GmbH and 1&1 Telecom GmbH under the umbrella of 1&1 AG.

In its **Business Access segment**, United Internet mainly operates via 1&1 Versatel Deutschland GmbH, held by the holding company United Internet Management Holding SE via 1&1 Versatel GmbH.

Operating activities in the **Consumer Applications segment** are primarily managed via the companies 1&1 Mail & Media GmbH, 1&1 Mail & Media Inc., and United Internet Media GmbH, pooled together under 1&1 Mail & Media Applications SE.

In its **Business Applications segment**, United Internet is primarily active via its shares in STRATO GmbH and its subsidiary Cronon GmbH – held by the holding companies IONOS Group SE and IONOS Holding SE – as well as in IONOS SE and its main domestic and foreign subsidiaries. These include – in addition to the foreign subsidiaries IONOS Inc. (USA), IONOS Cloud Ltd. (UK), IONOS S.A.R.L. (France), and IONOS Cloud S.L.U. (Spain) – in particular Arsys Internet S.L.U. (Spain), Fasthosts Internet Ltd. (UK), home.pl S.A. (Poland), the German companies InterNetX GmbH, Sedo GmbH, united-domains GmbH, and we22 GmbH, as well as World4You Internet Services GmbH (Austria).

In addition to these operating and fully consolidated subsidiaries, United Internet held a number of other **investments** as of December 31, 2024. These mainly consist of equity interests – held by United Internet Investments Holding AG & Co. KG – in Kublai GmbH, Frankfurt am Main (4.71%), which in turn holds 95.39% of shares in Tele Columbus AG, Berlin, and investments in the strategic partners Open-Xchange AG, Cologne (25.39%), rankingCoach GmbH, Cologne (31.52%), uberall GmbH, Berlin (25.10%), and AWIN AG, Berlin (20.00%), as well as the investment in Stackable GmbH, Pinneberg (27.54%) held by IONOS SE.

Further details on these investments and changes in investments are provided in chapter 2.2 "Business development" under "Group investments".

A simplified illustration of the Group structure of United Internet with its significant operating subsidiaries and investments – as of December 31, 2024 – is shown in the following chart.

United Internet AG

- **1&1 AG (78.32%)**
  - Drillisch Online (100%)
  - 1&1 Telecommunication (100%)
    - 1&1 Telecom (100%)
- **United Internet Management Holding SE** (100%)
  - 1&1 Versatel GmbH (100%)
    - 1&1 Versatel Deutschland (100%)
- **1&1 Mail & Media Applications SE** (100%)
  - 1&1 De-Mail (100%)
  - 1&1 Energy (100%)
  - 1&1 Mail & Media (100%)
  - United Internet Media (100%)
- **IONOS Group SE** (63.84%)
  - IONOS Holding SE (100%)
    - **IONOS** (100%)
      - IONOS USA (100%)
      - IONOS UK (100%)
      - IONOS FR (100%)
      - IONOS ES (100%)
      - Arsys (100%)
      - Fasthosts (100%)
      - home.pl (100%)
      - InterNetX (100%)
        - Sedo (100%)
      - united-domains (100%)
      - we22 (100%)
      - World4You (100%)
      - Stackable (27.54%)
    - **STRATO** (100%)
      - Cronon (100%)
- **United Internet Investments Holding AG & Co. KG** (100%)
  - AWIN (20%)
  - Kublai (4.71%)
    - Tele Columbus (95.39%)
  - Open-Xchange (25.39%)
  - rankingCoach (31.52%)
  - uberall (25.10%)

Business operations

With around 29 million fee-based customer contracts and around 39 million ad-financed free accounts, United Internet is one of Europe's leading internet specialists.

The Group's operating business is divided into the business divisions "Access" and "Applications", which in turn are divided into the segments "Consumer Access" and "Business Access", as well as "Consumer Applications" and "Business Applications".

Consumer Access segment

The Consumer Access segment comprises landline-based broadband products (including the respective applications, such as home networks, online storage, Smart Home, IPTV, and video-on-demand), as well as mobile internet products for private users.

These internet access products are offered to customers as subscription contracts with fixed monthly fees (and variable, volume-based charges).

With its **broadband products** under the 1&1 brand (especially VDSL/vectoring and fiber-optic connections), United Internet is one of Germany's leading suppliers.

The Company uses 1&1 Versatel's fiber-optic network as the transport network for VDSL/vectoring connections and direct fiber-optic connections (FTTH) with the "last mile" being provided by city carriers and Deutsche Telekom (mainly Layer-2).

United Internet is also one of the leading providers of **mobile internet products** in Germany.

1&1 has a fully functional mobile communications network which is being permanently expanded. Wherever 1&1 does not yet have sufficient mobile coverage during the years of network expansion, it uses national roaming. A national roaming partnership with Vodafone started in late August 2024. National roaming via Vodafone will be available for all 1&1 mobile customers until the end of 2025. At the same time, national roaming services previously procured from Telefónica will be completely phased out.

Until more than 12 million existing customer contracts have been fully migrated to the 1&1 mobile network, 1&1 will also partially use the Telefónica mobile network as a so-called Mobile Virtual Network Operator (MVNO), as well as MVNO capacities of Vodafone. As of the beginning of 2024, the existing MVNO customers are being gradually migrated to the 1&1 mobile network. The migration is expected to be completed by the end of 2025.

Mobile internet products are marketed via the premium brand 1&1 as well as via discount brands, such as winSIM and yourfone, which enable the Company to target a wide range of specific user groups in the mobile communications market.

Business Access segment

In the Business Access segment, 1&1 Versatel offers a wide range of telecommunication products and solutions for business customers.

The core of the business model is a fiber-optic network with a length of over 66,000 km, which is one of the largest networks in Germany and is constantly being expanded.

1&1 Versatel uses this network to offer telecommunication products – from standardized fiber-optic direct connections to tailored ICT solutions (voice, data and network solutions) – to companies and local authorities. In addition, the 1&1 fiber-optic network is used to provide 1&1 DSL and FTTH connections and to connect antenna locations. Infrastructure services (wholesale) for national and international carriers are also provided.

Consumer Applications segment

Applications for home users are pooled in the Consumer Applications segment. These mainly comprise Personal Information Management applications (e-mail, to-do lists, appointments, addresses), online storage (cloud), and office software.

By steadily developing this portfolio over the past years, the GMX and WEB.DE brands – the most widely used e-mail providers for German consumers for many years now – have been expanded into complete command centers for communication, information, and identity management.

Applications for home users are nearly all developed in-house and operated at the Group's own data centers. Products are offered as fee-based subscriptions (pay accounts) or – for free – in the form of ad-financed free accounts. These free accounts are monetized via classic – but increasingly also via data-driven – online advertising, which is marketed by United Internet Media.

With its ad-financed applications and fee-based consumer applications, United Internet is primarily active via GMX and WEB.DE in Germany, Austria, and Switzerland, where it is among the leading players. International expansion in this segment is being driven via the mail.com brand. In addition to the USA, mail.com targets countries such as the UK, France, and Spain.

Business Applications segment

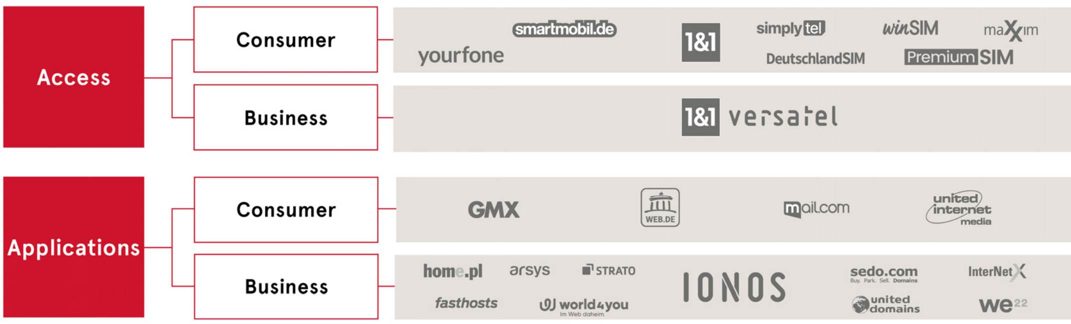
In the Business Applications segment, IONOS opens up online business opportunities for freelancers and SMEs, while also helping them to digitize their processes. It offers a comprehensive range of powerful applications, such as domains, websites, web hosting, servers, e-shops, group work, online storage (cloud), and office software, which can be used via subscription agreements. In addition, cloud solutions and cloud infrastructure are offered.

These business applications are developed at in-house development centers or in cooperation with partner firms.

IONOS is also a leading global player in this segment with activities in various European countries (Germany, France, the UK, Spain, Portugal, Italy, the Netherlands, Austria, Poland, Hungary, Romania, Bulgaria, Czech Republic, Slovakia, and Sweden) as well as in North America (the USA, Canada, Mexico).

Business applications are marketed to specific target groups via the brands IONOS, Arsys, Fasthosts, home.pl, InterNetX, STRATO, united-domains, and World4You. In addition, Sedo offers professional services in the field of active domain management, while we22 offers other hosting suppliers a white-label website builder for the creation of high-quality websites.

Divisions, segments and brands (as of: December 31, 2024)



Management

The **Management Board** of United Internet AG comprised the following members in the fiscal year 2024:

Management Board members as at December 31, 2024

- Ralph Dommermuth, founder and Chief Executive Officer
  (with the Company since 1988)

- Ralf Hartings, Chief Financial Officer (CFO)
  (with the United Internet Group since 2021; until December 31, 2024)

- Markus Huhn, Management Board member responsible for Shared Services
  (with the United Internet Group since 1994)

New Management Board member since January 1, 2025

- Carsten Theurer, Chief Financial Officer (CFO)
  (with the Company since January 1, 2025)

Ralf Hartings, Chief Financial Officer (CFO) of United Internet AG, stepped down from his position as a member of the Management Board of United Internet AG at his own request as of December 31, 2024. With effect from January 1, 2025, Carsten Theurer is Ralf Harting's successor as CFO of United Internet AG. Carsten Theurer previously worked in various divisions of the Schwarz Group for over 20 years, in his last position as Group CFO. In these roles, he accompanied the international growth of the Schwarz Group in the retail sector and played a key role in setting up the company's own production companies.

The **Supervisory Board** of United Internet AG comprised the following members in the fiscal year 2024:

Supervisory Board members as at December 31, 2024

- Philipp von Bismarck, Chairman
  (member since July 2020; Chairman since May 2021; member of the Audit and Risk Committee since May 2021)

- Dr. Manuel Cubero del Castillo-Olivares, Deputy Chairman
  (member since May 2020; Deputy Chairman since May 2021)

- Stefan Rasch
  (member since May 2021; member of the Audit and Risk Committee since May 2021)

- Prof. Dr. Franca Ruhwedel
  (member since May 2023; Chairwoman of the Audit and Risk Committee since January 2024)

- Prof. Dr. Yasmin Mei-Yee Weiss
  (member since July 2020)

Departed in the fiscal year 2024

- Prof. Dr. Andreas Söffing
  (member from May 2021 to July 2024)

Main markets and competitive standing

Germany is the most important **sales market** of the United Internet Group by far and accounted for almost 90% of total global sales in the fiscal year 2024.

Besides Germany, the Group's most important sales markets are

- the USA,
- the UK,
- Spain,
- France,
- Poland, and
- Austria.

Competitive standing in the Consumer Access segment

Following the merger with Drillisch AG (now 1&1 AG) in 2017, United Internet is the fourth force in Germany's telecommunications market with landline and mobile products in its purely domestic Consumer Access segment – based on customer contracts and sales revenues – after Deutsche Telekom, Vodafone, and Telefónica Germany.

Competitive standing in the Business Access segment

United Internet is also a leading company in its Business Access segment, whose operations are also limited to Germany. With the fiber-optic network of 1&1 Versatel spanning over 66,000 km, United Internet operates one of Germany's largest fiber-optic networks.

Competitive standing in the Consumer Applications segment

In its Consumer Applications segment, United Internet operates in Germany, Switzerland, and Austria via the GMX and WEB.DE brands, as well as in countries such as the USA, UK, France, and Spain via the international brand mail.com. United Internet is the leading provider of e-mail services and one of the leaders in cloud services in its domestic German market – based on the number of users.

Competitive standing in the Business Applications segment

In the globally aligned Business Applications segment, United Internet is active in a total of 18 countries with its hosting and cloud applications. The Company has long been the market leader in the German hosting business – based on the number of managed country domains – and strengthened its position in 2017 with the takeover of its competitor STRATO. In other European countries, United Internet's hosting applications are now available in all major markets – either locally or from Germany. In addition to the domestic German market, these mainly include the major European economies of France, the UK, Italy, Poland, and Spain. With the exception of Italy, the Company is one of the leading suppliers –

measured by the number of managed country domains – in the aforementioned countries. All in all, therefore, United Internet is also one of Europe's leading hosting providers – based on the number of managed country domains. Further target markets outside Europe are the North American countries Canada, USA, and Mexico. In the most important of these markets, the USA, United Internet is also one of the leading players in this segment – based on the number of managed country domains.

From a global perspective, United Internet is thus also one of the leading companies in the hosting business.

Main locations

As of December 31, 2024, the United Internet Group employed a total of 10,972 people worldwide at around 40 domestic and foreign facilities.

Main locations (by headcount; > 50 employees)

Location	Segment	Main Company
Montabaur (HQ)	Corporate functions	United Internet
	Consumer Access	1&1
Karlsruhe	Corporate functions	United Internet
	Consumer Access	1&1
	Consumer Applications	1&1 Mail & Media Applications
	Business Applications	IONOS
Berlin	Consumer Access	1&1
	Business Access	1&1 Versatel
	Business Applications	IONOS, Strato, we22
Dusseldorf	Consumer Access	1&1
	Business Access	1&1 Versatel
Cebu City (Philippines)	Business Applications	IONOS
Essen	Business Access	1&1 Versatel
Madrid / Logroño / Barcelona / Lugo ... (Spain)	Business Applications	IONOS, Arsys
Munich	Consumer Access	1&1
	Consumer Applications	1&1 Mail & Media Applications
Zweibrücken	Consumer Access	1&1
	Business Applications	IONOS
Flensburg	Business Access	1&1 Versatel
Szczecin (Poland)	Business Applications	home.pl
Bucharest (Romania)	Business Applications	IONOS
Gloucester (UK)	Business Applications	IONOS, Fasthosts
Krefeld	Consumer Access	1&1
Maintal	Consumer Access	1&1
Cologne	Business Applications	Sedo, we22
Stuttgart	Business Access	1&1 Versatel
Regensburg	Business Applications	InterNetX
Philadelphia / Chesterbrook / Lenexa (USA)	Business Applications	IONOS
Frankfurt am Main	Business Access	1&1 Versatel
Starnberg	Business Applications	united-domains
Linz / Vienna (Austria)	Business Applications	World4You

1.2 Strategy

United Internet's business model is based predominantly on customer contracts (electronic subscriptions) with fixed monthly amounts and contractually agreed terms. Such a business model ensures generally stable and plannable revenue and cash flows, protects against macroeconomic effects, and provides the financial scope to grasp opportunities in new or extended business fields and new or extended markets – organically, or via acquisitions and investments.

The large number of customer relationships helps the Company to utilize so-called economies of scale: the more customers using the products created by its development teams and operated at its own data centers, and/or transport data via its own networks, the greater the profit will be. These profits can then be invested in new customers, new developments, and new or extended business fields.

From the current perspective, Cloud Applications and Mobile Internet will be the growth markets over the coming years. With its clear positioning in the Access and Applications segments, United Internet is well placed to exploit the expected market potential.

In view of the dynamic market development of Cloud Applications and Mobile Internet, the Company's growth opportunities are clearly apparent: universally accessible, increasingly powerful broadband connections are enabling new and more sophisticated cloud applications. These internet-based programs for private users and companies will also be United Internet's growth drivers in the years ahead – both as stand-alone products in the Applications division, as well as in combination with landline and mobile access products in the Access division.

With its many years of experience as an access and application provider, its expertise in software development and data center operation, marketing, sales and customer support, as well as its strong and well-known brands (such as 1&1, GMX and WEB.DE), and customer relationships with millions of private users, freelancers, and small companies in Germany and abroad (currently over 68 million user accounts worldwide), the Company is excellently positioned.

In order to leverage this positioning for further sustainable growth, United Internet will continue to invest heavily in new customers, new products, and new or extended business fields, as well as in its further internationalization.

In addition to organic growth, United Internet also continuously seeks possibilities for company acquisitions, investments, and partnerships in order to extend its market positions, vertical integration levels, and expertise.

Thanks to its high and plannable level of free cash flow, United Internet has a strong source of internal funding as well as good access to debt financing markets. Further information on the Company's equity strength and external financing is presented in the chapters 2.2 "Business development" and 2.3 "Position of the Group".

Further information on strategy, opportunities and targets is included in the "Risk, Opportunity and Forecast Report" in chapter 4.

1.3 Management systems

The internal management systems help the management team steer and monitor the Group and its segments. The systems consist of actual situation, planning, and forecast calculations based on the Group's annually revised strategic planning. Particular attention is paid to market developments, technological developments, and trends, as well as their impact on the Group's own products and services, and the Group's financial possibilities. The corporate management system's aim is the continuous and sustainable development of United Internet AG and its subsidiaries.

The Group's reporting system comprises the monthly profit calculations and quarterly IFRS-compliant reports for all consolidated subsidiaries. It presents the financial position and performance of the Group and all divisions. Financial reporting also includes other detailed information which is required for the assessment and control of the operating business.

Quarterly reports on significant risks for the Company represent a further component of the management systems.

The above mentioned reports are discussed at meetings of the Management Board and Supervisory Board and provide the fundamental basis for assessments and decisions.

In order to steer the Group's performance, United Internet AG uses in particular the key figures of the income statement (sales, EBITDA, EBIT, EPS), of the statement of cash flows (free cash flow), and of the statement of financial position (asset items, financial liabilities).

Information on the use and definition of the relevant key financial figures is presented in chapter 2.2 "Business development".

The Management Board of United Internet AG steers the segments mainly on the basis of key performance figures. It measures the success of each segment primarily according to sales, EBITDA, and EBIT, according to IFRS.

The main non-financial key figures used are the number and growth of fee-based customer contracts, as well as ad-financed free accounts.

The performance indicators of the United Internet Group for top management are also presented in "Segment reporting" under note 5 of the Notes to the Consolidated Financial Statements.

The **key performance indicators (KPIs)** used by top management at Group level are sales and operating (i.e., adjusted for special items) EBITDA according to IFRS. These figures are also used in forecast reporting.

Due to its role as the holding company, United Internet AG (parent company) is mainly influenced by its investment result (profit transfers and dividends) and interest result and therefore focuses on its investment result and net income.

The number of customer contracts, the gross and net sales figures, and the related customer acquisition costs in particular – compared to the Company's plans and forecast calculations – serve as early warning indicators.

The KPIs used in the fiscal year 2024 were unchanged from the previous year.

A comparison of the KPIs stated in the forecast and the actual figures is provided in this Management Report in chapter 2.2 "Business Development" in the section "Actual and Forecast Development".

1.4 Main focus areas for products and innovations

The disclosures made in the subsection "1.4 Main focus areas for products and innovations" are "non-audited management report disclosures", as the content of "non-management report-related disclosures" is not audited.

As an internet service provider, the United Internet Group does not engage in research and development (R&D) on a scale comparable with manufacturing companies. Also within the context of its own sector, research and development expenditures play a fairly subordinate role. Against this backdrop, United Internet does not disclose key figures for R&D.

At the same time, the United Internet brands stand for high-performance internet access, solutions, and innovative web-based products and applications which are mostly developed in-house. The success of United Internet is rooted in an ability to develop, combine, or adapt innovative products and services, and launch them on major markets.

Thanks to its high-performance development centers (especially in Karlsruhe, Berlin, and Bucharest) with around 3,800 programmers, product managers, and technical administrators (corresponding to around 35% of all employees), United Internet is able to react swiftly and flexibly to new ideas and trends, and to continuously enhance its established products by adapting them to changing market needs – a key success factor in the fast-moving internet market. The Company's expertise in product development, enhancement, and rollout minimizes its reliance on third party development work and supplies in many areas, and thus ensures decisive competitive and time-to-market advantages.

Due to the steady growth in customer figures, the demands placed on reliability and availability are constantly rising. In addition to the further development of existing products and continuous optimization of back-end operations, the Company also focuses on enhancing existing processes in order to raise system reliability, and thus also customer satisfaction.

Focus areas 2024

Consumer Access

- Since the launch of mobile services in 1&1's mobile network in December 2023, 1&1 has been producing advance services for new customers in its own network; wherever 1&1 does not yet have sufficient network coverage during the network rollout, it uses national roaming advance services; since the beginning of 2024, existing 1&1 customers on third-party networks (and thus on a wholesale basis) are being gradually migrated to the 1&1 mobile network

- Implementation and launch of 1&1 Cinema as a video-on-demand service; usage via TV app or together with IPTV

- Expansion of products, ordering options and services for business customers and set-up of a new platform for landline products at Drillisch Online

- With the introduction of a new contract model, customers in the mobile sector have the opportunity to benefit from lower monthly prices for hardware: instead of the previous 24 months, hardware costs can be spread over 36 months; the longer term reduces the monthly costs

- With the launch of the Unlimited on demand tariffs, 1&1 customers can now sign up for a reasonably priced mobile flat rate. Customers receive a basic volume of 50 GB and can top up with as many packages as they like for free if the selected basic volume is not enough

Business Access

- Expansion of footprint for internet access products with up to 10 Gbit/s and launch of new process for automatic bandwidth upgrades for fiber products
- Launch of a fiber-optic product based on XGS-PON technology with an innovative zero-touch provisioning process
- SD-WAN Compact based on the Lancom platform, specially designed for retailers and companies with multiple locations
- Managed firewall focusing on companies affected by the KRITIS and NIS2 regulations
- Hardware portal for ordering phones, headsets, or adapters and launch of 1&1 set-up service and further professional services for cloud telephone systems

Consumer Applications

- Customer account protection through improved AI-based anomaly detection
- Use of GMX and WEB.DE app as two-factor authentication for logins
- Improvement of AI-based prospecting in advertising through success evaluation and increased reach
- Extension of new e-mail web client, including the sending of large files
- Launch of an alert dashboard in the web e-mail client with security-related information
- Launch of "United Internet Media Ad Manager" for internal and external booking of online campaigns in Switzerland and Austria and as a white-label variant
- Development of a new mail storage system based on a distributed storage network
- Introduction of the eSim-based free tariff GMX FreePhone
- Development and launch of the "UIM Whitelabel Ad Manager" for B2B customers of the IONOS Group for booking online campaigns within the mail inbox on WEB.DE and GMX
- Introduction of an offline credit card in the cashback world, with which customers can also collect WebCents offline
- Launch of a new e-mail collection service for integrating mailboxes of other providers with support for the latest authorization protocols

Business Applications

- Launch of AI-based assistant within the e-mail product
- Launch of an AI-based domain search for the Arsys and Fasthosts brands
- Launch of an AI-based chatbot for customer service in Germany and the UK
- Launch of a multi-modal AI inference platform (AI Model Hub)
- Launch of a domain expiry pool to improve the monetization of domains no longer required; using automated processes, these domains are offered to specific customers and can be made available for sale through Sedo
- Introduction of shared web hosting products for Wordpress based on a scalable and high-performance new hosting platform
- Launch of a legal protection service at several IONOS subsidiaries for the legally compliant creation of websites in compliance with the legal framework
- Launch of advertising options (inbox ads) for IONOS customers in the email inboxes of GMX and Web.de
- Rollout of the Bare Metal Cloud product at the Niederlauterbach data center to serve the French market
- Rollout of a build-to-order service for dedicated servers in North America; enabling customers to configure their server architecture with the appropriate hardware themselves
- Launch of a private DNS solution
- Launch of an S/3-compatible object storage system with high scalability and redundancy based on Ceph
- Launch of Managed MariaDB and Managed Redis with administration, maintenance, and scaling of these databases provided by IONOS
- Launch of Logging-as-a-Service (LaaS): a cloud-based platform for managing infrastructure and application logs
- Launch of regional control planes for Managed Kubernetes to improve the availability and reliability of customer clusters and to enable greater flexibility in the regional allocation of the control level
- Expansion of the Managed Kubernetes (MK8S) platform in US business to offer customers a wider spectrum of managed Kubernetes services and Kubernetes clusters and raise their scalability and flexibility
- Development of an "airgapped" cloud solution in an isolated environment for ITZBund
- Introduction of a bidirectional VPN for secure management of resources in the private cloud

2. ECONOMIC REPORT

2.1 General economic and sector conditions

General economic development

In its latest economic outlook (World Economic Outlook, Update January 2025), the International Monetary Fund (IMF) reported growth of 3.2% for the **global economy** in 2024, based on preliminary calculations. Growth was thus almost on a par with the prior-year level (3.3%).

In the United Internet Group's target markets in North America, the IMF anticipates noticeable growth – but at a lower level than in the previous year. The IMF expects growth of 2.8% for the **USA** (prior year: 2.9%), of 1.3% for **Canada** (prior year: 1.5%), and of 1.8% for **Mexico** (prior year: 3.3%).

The situation for United Internet's most important target markets in Europe is as follows: the IMF anticipates growth of 1.1% for **France** in 2024 (prior year: 1.1%), of 3.1% for **Spain** (prior year: 2.7%), and of 2.8% for **Poland** (prior year: 0.1%). By contrast, slightly weaker growth is forecast for **Italy** and the **UK** of 0.6% (prior year: 0.7%) and 0.9% (prior year: 0.3%), respectively.

However, **Germany** – United Internet's most important market by far (sales share 2024: around 90%) – was the only one of United Internet's target markets to once again report a decrease in economic output of -0.2% in 2024 (prior year: -0.3%).

Multi-period overview: GDP trend in United Internet's key target countries and regions

	2020	2021	2022	2023	2024	YoY change
World	-3.1%	6.2%	3.5%	3.3%	3.2%	-0.1%-points
USA	-3.4%	5.9%	1.9%	2.9%	2.8%	-0.1%-points
Canada	-5.2%	5.0%	3.8%	1.5%	1.3%	-0.2%-points
Mexico	-8.2%	4.7%	3.9%	3.3%	1.8%	-1.5%-points
France	-8.0%	6.8%	2.5%	1.1%	1.1%	+/-0.0%-points
Spain	-10.8%	5.5%	5.8%	2.7%	3.1%	+0.4%-points
Italy	-8.9%	6.7%	3.7%	0.7%	0.6%	-0.1%-points
Poland	-2.0%	6.9%	5.3%	0.1%	2.8%	+2.7%-points
UK	-9.4%	7.6%	4.3%	0.3%	0.9%	+0.6%-points
Germany	-4.6%	2.6%	1.8%	-0.3%	-0.2%	+0.1%-points

Source: International Monetary Fund, World Economic Outlook (Update), January 2025

The IMF's calculations for Germany are therefore in line with the preliminary figures of the country's Federal Statistical Office (Destatis), which – at its "GDP 2024" press conference on January 15, 2025 – also announced a decline in (price-adjusted) gross domestic product (GDP) of -0.2% for 2024 (prior year: -0.3%).

According to the Federal Statistical Office, this was due to economic and structural burdens. These include increasing competition for German exports in important markets, high energy costs and persistently high interest rates, coupled with an uncertain economic outlook.

Multi-period overview: development of price-adjusted GDP in Germany

	2020	2021	2022	2023	2024	YoY change
GDP	-4.1%	3.7%	1.4%	-0.3%	-0.2%	+0.1%-points

Source: Destatis, January 2025

Development of sector / core markets

By contrast, Germany's digital economy remains buoyant. Despite the current challenging economic environment, the digital sector association Bitkom expects sales in the German **market for IT and telecommunications (ICT)** to grow by 3.3% (prior year: 2.4%) to € 222.6 billion in 2024.

The increase in the overall ICT market resulted in particular from growth in sales of information technology. According to Bitkom’s 2024 forecast, sales in this largest submarket rose by 4.4% (prior year: 2.6%) to € 149.7 billion. The various segments of this sub-market made varied progress: software (which also includes AI platforms, collaboration tools and cloud services) grew by 9.5% (prior year: 12.1%) and IT services by 3.8% (prior year: 5.0%). However, IT hardware was up only slightly by 0.7% following a decline of -6.1% in the previous year (compared to the disproportionately high level of investment during the pandemic years).

The most important ICT markets for United Internet’s business model are the German telecommunications market in its mostly subscription-financed Access division, as well as the global cloud computing market, and the German online advertising market for its subscription- and ad-financed Applications division.

Telecommunications market in Germany

For the ICT submarket of telecommunications, the industry association expects an increase of 1.0% (prior year: 2.0%) from € 72.3 billion to € 73.0 billion in 2024. The individual segments of the German telecommunications market are also developing quite differently: for example, telecommunications services grew by 1.8% (prior year: 2.1%) and sales of user devices by 1.6% (prior year: 3.1%), while sales of infrastructure declined by -4.8% (prior year: -0.7%).

Key market figures: telecommunications market in Germany

in € billion	2024	2023	Change
Telecommunication revenues	73.0	72.3	+ 1.0%

Source: Bitkom, January 2025

According to the study "German Entertainment and Media Outlook 2024 - 2028" (September 2024), the auditing and consultancy firm PricewaterhouseCoopers (PwC) expects service revenues – of particular importance for United Internet – to increase by 1.3% to € 32.6 billion in 2024. Service revenues in the mobile telecommunications segment are expected to grow by 2.0% to € 18.0 billion and service revenues in the broadband segment by 0.4% to € 14.6 billion.

PwC expects the number of mobile phone contracts to grow by 2.8% to 179.9 million in 2024. This growth results from an increase of 57.5% in 5G contracts to 55.3 million, while contracts for lower data rates declined significantly.

The number of landline broadband connections rose by 0.8% to 38.9 million in 2024, according to PwC. At the same time, there was a decrease in the number of DSL connections (-5.0% to 23.4 million) and the number of cable connections (-1.2% to 8.5 million), while fiber-optic connections increased by 38.0% to 5.8 million.

Global cloud computing market

There was further dynamic growth in the cloud computing market in 2024. In its "Public Cloud Services, Worldwide, 2022-2028, 3Q24 Update" (November 2024), Gartner Inc. forecasts global growth for public cloud services of 19.2%, from USD 499.7 billion to USD 595.7 billion in 2024. The strongest growth is expected in the areas of cloud system infrastructure services (IaaS) at 21.3%, cloud application infrastructure services (PaaS) at 19.1%, and cloud application services (SaaS) at 18.1%.

Key market figures: cloud computing worldwide

in $ billion	2024	2023	Change
Global sales of public cloud services	595.65	499.71	+ 19.2%
thereof Application Infrastructure Services (PaaS)	171.57	144.05	+ 19.1%
thereof Application Services (SaaS)	250.80	212.37	+ 18.1%
thereof Desktop as a Service (DaaS)	3.47	3.22	+ 7.7%
thereof System Infrastructure Services (IaaS)	169.82	140.00	+ 21.3%

Source: Gartner Forecasts, Worldwide Public Cloud End-User Spending, November 2024

German online advertising market

In its study "German Entertainment and Media Outlook 2024 - 2028" (September 2024), the auditing and consultancy company PricewaterhouseCoopers (PwC) forecasts an increase in total revenues (paid search, display, video, affiliate / classifieds) of the German online advertising market (mobile advertising and desktop advertising) of 10.7% from € 17.1 billion to € 18.9 billion for 2024 – following growth of 11.9% in 2023.

Key market figures: total online advertising market in Germany – acc. to PWC

in € billion	2024	2023	Change
Online advertising revenues	18.93	17.09	+ 10.7%

Source: PricewaterhouseCoopers, German Entertainment and Media Outlook 2024 – 2028, September 2024

The Online Marketing Group (OVK) of the German Association for the Digital Economy (BVDW) broadly shares PwC's assessment of the situation in the German online advertising market. The OVK only takes net revenues into account in its market figures and focuses exclusively on the most important sub-market for United Internet, the display advertising market (mobile and desktop). Based on its updated forecast in September 2024 – as part of its OVK Report 2024/02 – the OVK expects the display advertising market to raise net revenues from € 5.5 billion in the previous year to € 6.2 billion. This represents an increase of 11.7%, following growth of 6.4% in the previous year.

Key market figures: display advertising market in Germany – acc. to OVK

in € billion	2024	2023	Change
Display advertising revenues	6.16	5.51	+ 11.7%

Source: Online-Vermarkterkreis (OVK), OVK-Report 2024/02, September 2024

Legal conditions / significant events

Legal conditions

The legal parameters for United Internet's business activities remained largely unchanged from the previous year in 2024 and had no significant influence on the development of the United Internet Group.

Significant events

1&1 starts migration of existing customers 1&1 mobile network

Following the launch of mobile services in the 1&1 mobile network in late 2023, 1&1 also began to migrate over 12 million existing customer contracts from third-party networks to the 1&1 mobile network **in January 2024.**

By gradually migrating existing customers to its own network, 1&1 can increasingly replace the purchase of advance services from third parties (on wholesale basis) and instead use internally produced advance services, thus achieving ever greater savings in the procurement of advance services.

IONOS builds cloud solution for German federal administration

In **April 2024**, the German Federal Information Technology Center (ITZBund) commissioned IONOS to set up a private enterprise cloud for the ITZBund data centers. ITZBund is the IT service provider for 200 federal administrative authorities and is tasked with providing them with modern IT support and leading them into the digital future.

The framework agreement has a term of five years. As is common in the cloud sector, the variable order is invoiced on a pay-per-use basis.

Availability of 1&1 mobile network temporarily restricted

Sales and earnings were unexpectedly burdened by the effects of a temporary outage of the new 1&1 mobile network in **May 2024** and the associated increase in customer churn. Moreover, the planned migration of existing customers to the 1&1 mobile network was temporarily severely restricted due to the unforeseen undersizing of individual network components and could only be resumed extensively in the fourth quarter of 2024.

As a result, the savings expected in fiscal year 2024 from the migration of existing customer contracts (on a wholesale basis) to the 1&1 mobile network were only achieved to a small extent. In addition, there were temporarily higher expenses for the elimination of capacity bottlenecks identified as a result of the network outage.

Conclusion of main contract for national roaming partnership between 1&1 and Vodafone

In **August 2024**, Vodafone and 1&1 launched their national roaming partnership for mobile communications. After already signing a binding preliminary agreement in the previous year to cooperate from the summer of this year, the two companies signed the detailed main contract on August 23, 2024.

Since August 29, 2024, new 1&1 customers have been using the Vodafone mobile network with their smartphones. The migration of existing customers has since also been undertaken using Vodafone as the national roaming partner. National roaming via Vodafone is to be made available to all 1&1 mobile customers by the end of 2025. At the same time, the national roaming advance services previously obtained from Telefónica are being completely phased out. National roaming is a standard procedure used in the rollout of new mobile networks that enables customers to surf and make calls without interruption in areas not yet covered. This is achieved by automatically using the roaming partner's antennas in these areas.

The cooperation between Vodafone and 1&1 is set up for the long term and includes mechanisms that protect both companies economically in the event of rising costs and data volumes.

Financing measures

In December 2024, United Internet successfully refinanced its existing syndicated loan facility with its core banks. A term until December 2029 was agreed for the new syndicated loan facility of € 950 million, which includes contractually agreed extension options.

At the same time, the Group took out a syndicated loan of € 550 million in December 2024, which will fall due in December 2027. United Internet AG incorporated part of its existing bilateral credit lines with core banks into the syndicated loan, enabling it to successfully refinance them in the long term.

In addition, United Internet and Japan Bank for International Cooperation (JBIC) signed a loan agreement for up to € 800 million, also in December 2024. The funds will be provided by one tranche directly from JBIC, which is wholly owned by the Japanese government, and one tranche from a consortium of European and Japanese commercial banks guaranteed by JBIC.

For further information, see chapter 2.2 "Business development", "Liquidity and finance".

There were no other significant events in fiscal 2024 which had a material effect on the development of business.

2.2 Business development

Use and definition of relevant financial performance measures

In order to ensure the clear and transparent presentation of United Internet's business trend, the Group's Annual Financial Statements and Interim Financial Statements include key financial performance measures – in addition to the disclosures required by International Financial Reporting Standards (IFRS) – such as EBITDA, the EBITDA margin, EBIT, the EBIT margin, and free cash flow.

United Internet defines these measures as follows:

- **EBIT:** Earnings before interest and taxes represents the operating result disclosed in the statement of comprehensive income.

- **EBIT margin:** Presents the ratio of EBIT to sales.

- **EBITDA:** Earnings before interest, taxes, depreciation, and amortization are calculated as EBIT/operating result plus the depreciation and amortization (disclosed in the Consolidated Financial Statements) of intangible assets and property, plant, and equipment, as well as assets capitalized in the course of company acquisitions.

- **EBITDA margin:** Presents the ratio of EBITDA to sales.

- **Cash flow before changes in balance sheet items (subtotal)**: Cash flow before changes in balance sheet items is derived from net income, adjusted for non-cash effects. These include depreciation and amortization, result from associated companies, deferred taxes, and interest and financing expenses. This subtotal represents the cash inflow from operating activities before changes in working capital and other balance sheet items are taken into account.

- **Free cash flow:** Calculated as cash flow from operating activities (disclosed in the consolidated financial statement), less capital expenditure for intangible assets and property, plant, and equipment, plus payments from the disposal of intangible assets and property, plant, and equipment.

- **Free cash flow after leases:** Free cash flow after leases is calculated as free cash flow less the repayment portion of lease liabilities, which have been included in cash flow from financing activities since the fiscal year 2019 (IFRS 16).

- **Cash capex:** Cash capex is the sum of cash outflows for investments in intangible assets and property, plant and equipment (capital expenditures).

Insofar as necessary for a clear and transparent presentation, these indicators are adjusted for special items and disclosed as "key operating figures" (e.g., operating EBITDA, operating EBIT, and operating EPS). A reconciliation of EBITDA, EBIT, EBT, net income, and EPS (according to the consolidated statement of comprehensive income) with figures adjusted for special items can be found in chapter 2.3 "Position of the Group".

Such special items usually refer solely to those effects capable of restricting the validity of the key financial performance measures with regard to the Group's financial and earnings performance – due to their nature, frequency, and/or magnitude. All special items are presented and explained for the purpose of reconciliation from the unadjusted key financial figures to the key operating figures in the relevant section of the financial statements.

By contrast, expenses for the rollout of the 1&1 mobile network or start-up costs for new business fields of 1&1 Versatel are not adjusted but disclosed – should there be any – in the respective sections.

Currency-adjusted sales and earnings figures are calculated by converting sales and earnings figures with the average exchange rates of the comparative period, instead of the current period.

The most important key financial figures for managing the Group are sales and operating EBITDA according to IFRS.

Special items in fiscal year 2024

Termination of the business fields "Energy" and "De-Mail" in the Consumer Applications segment

Following a thorough review, the Management Board and Supervisory Board decided in March 2024 to discontinue the "Energy" and "De-Mail" business fields in the Consumer Applications segment.

Against this backdrop, United Internet reports the sales and earnings contributions of these business fields separately in its management reporting, both in the Consumer Applications segment and at Group level, and adjusts the key operating figures for 2024 and the comparative figures for 2023 accordingly. The same applies to customer contracts, which are also presented "adjusted". The key financial figures for 2020-2022 remain unchanged in the multi-period overviews.

The aforementioned sales contributions of the Energy und De-Mail business fields amounted to € 27.3 million in the previous year and € 26.2 million in 2024, while the earnings contributions amounted to € -2.7 million (EBITDA) and € -2.8 million (EBIT) in the previous year and € -0.7 million (EBITDA) and € -0.9 million (EBIT) in the fiscal year 2024.

The "De-Mail" business field was discontinued at the end of the reporting period on December 31, 2024.

Non-scheduled, non-cash impairment of Tele Columbus investment

In an ad-hoc disclosure dated June 14, 2024, United Internet AG announced that it would make no further investments in the holding company Kublai GmbH. Kublai currently holds around 95% of shares in Tele Columbus AG.

This decision meant that United Internet waived the right to increase its stake in Kublai to 40% again after it was diluted to around 5% in the course of a capital increase in the first quarter of 2024. Due to the resulting loss of significant influence, a non-cash impairment loss on the investment in Kublai of € 170.5 million was recognized in the Consolidated Financial Statements as at December 31, 2024 and disclosed in the "Result from the loss of significant influence".

As already reported in the Interim Statement Q1 2024, Kublai conducted a capital increase in the first quarter of 2024 to provide Tele Columbus with equity, in which United Internet did not participate. A further shareholder of Kublai is Hilbert Management GmbH, an indirect subsidiary of Morgan Stanley Infrastructure Inc (MSI), an infrastructure fund managed by the investment bank Morgan Stanley, which subscribed to the full amount of the capital increase totaling € 300 million. This resulted in a reduction of United Internet's stake in Kublai to around 5% (previously 40%). Until June 17, 2024, United Internet had the option to increase its stake in Kublai back to 40% by acquiring shares from MSI in return for a payment of € 120 million.

United Internet regards the valuation of Tele Columbus AG on which the capital increase was based as inappropriately low. However, its majority of votes at the shareholders' meeting enabled MSI to conduct the capital increase on the basis of a valuation determined by MSI. United Internet has since initiated the contractually stipulated anti-dilution proceedings and has arranged for the German Arbitration Institute (DIS) to review MSI's valuation. If DIS agrees with United Internet's assessment, United Internet may be awarded compensation of approx. € 300 million. If the court reaches a different conclusion, the awarded claim or compensation amount could be correspondingly lower.

The reason for the decision of the Management Board and Supervisory Board of United Internet AG not to make any further investments in Kublai was a difference of opinion between MSI and United Internet regarding the future funding of Kublai.

In its Management Report, United Internet has separately disclosed the non-scheduled, non-cash impairment on its Kublai/Tele Columbus investment and adjusted its operating KPIs EBT and EPS accordingly.

"One-off tax effects 2024"

This special item results from a one-off writedown of deferred taxes on loss carryforwards capitalized in previous years on the level of 1&1 Versatel GmbH. There was an opposing effect from direct netting of current losses of 1&1 Versatel on the level of United Internet AG due to a profit and loss agreement concluded with 1&1 Versatel in November 2024.

In its Management Report, United Internet has adjusted these one-off net negative tax effects of € -52.0 million in its operating KPIs net income and EPS.

For further details, see note 15 of the Notes to the Consolidated Financial Statements.

Actual and forecast development 2024

Forecast development

In an ad-hoc announcement on December 19, 2023, United Internet published its guidance for the fiscal year 2024 and updated it during the year as follows:

	Forecast 2024 (December 2023)	Specification (August 2024)	Specification (November 2024)
Revenues	approx. € 6.5 billion	approx. € 6.4 billion	approx. € 6.35 billion
EBITDA	approx. € 1.42 billion	approx. € 1.38 billion	approx. € 1.38 billion

Actual development

In the fiscal year 2024, **consolidated sales** rose by 1.9%, from € 6.213 billion in the previous year to € 6.329 billion and were thus within the range of the sales forecast (November 2024: approx. € 6.35 billion). This merely moderate sales growth was mainly due to a year-on-year decline in low-margin hardware revenues (especially smartphones) in the Consumer Access segment (€ -92.3 million compared to 2023). Without the "Energy" and "De-Mail" business fields, sales amounted to € 6.303 billion (prior year: € 6.186 billion).

EBITDA for the Group amounted to € 1,294.0 million in the fiscal year 2024 (prior year: € 1,292.1 million) and – as already announced in the preliminary results for 2024 – was thus below the Company's forecast (approx. € 1.38 billion). In addition to burdens on earnings (from the temporary outage of the 1&1 mobile network), EBITDA includes higher than expected expenses for the rollout of 1&1's mobile network. In total, these amounted to € -265.3 million (prior year: € -132.4 million). This item also includes € 14.3 million out-of-period expenses from subsequent billing for the network rollout in 2022 and 2023. Without "Energy" and "De-Mail", EBITDA amounted to € 1,294.7 million (comparable prior-year figure without IPO costs IONOS: € 1,296.5 million).

Summary: actual and forecast development of business in 2024

	Forecast 2024 (December 2023)	Specification (August 2024)	Specification (November 2024)	Actual 2024
Revenues	approx. € 6.5 billion	approx. € 6.4 billion	approx. € 6.35 billion	€ 6.329 billion
EBITDA	approx. € 1.42 billion	approx. € 1.38 billion	approx. € 1.38 billion	€ 1.294 billion

The net loss of United Internet AG (parent company) for the fiscal year 2024 amounted to € -365.3 million and was thus well below the 2024 forecast (subject to special items) of a balanced result for the year. This was due in particular to a non-scheduled loss from the dilution of shares in Kublai amounting to € 316.0 million. In addition, there was the assumption of the loss of 1&1 Versatel GmbH pursuant to the profit and loss transfer agreement concluded with 1&1 Versatel GmbH in November 2024, as well as – with an opposing effect – income from the change in deferred tax liabilities on the level of United Internet AG, which resulted in a net total of € -131.1 million and which was not yet included in planning at the time the forecast was published.

Adjusted for these non-scheduled factors, the annual result of the parent company for 2024 was well above the forecast of the parent company.

Development of divisions and segments

The Group's operating activities are divided into the business divisions Access and Applications, which in turn are divided into the segments Consumer Access and Business Access, as well as Consumer Applications and Business Applications.

Details on the business models of the individual segments are presented in chapter 1.1 "Business model".

Consumer Access segment

In addition to the continuing expansion of the 1&1 fiber-optic network and gradual migration of existing customers to the new mobile network, the Consumer Access segment focused on adding further valuable broadband and mobile internet contracts in the fiscal year 2024.

The number of **fee-based contracts in the Consumer Access segment** rose by 130,000 contracts to 16.39 million in the fiscal year 2024. While broadband connections fell slightly by 60,000 contracts to 3.95 million, mobile internet contracts increased by 190,000 to 12.44 million contracts. The growth in mobile contracts in particular was thus lower than expected. This was primarily attributable to effects from the network migration of existing customers, as well as contract terminations in connection with the temporary disruption of the mobile network in late May 2024.

Development of Consumer Access contracts in the fiscal year 2024

in million	Dec. 31, 2024	Dec. 31, 2023	Change
Consumer Access, total contracts	16.39	16.26	+ 0.13
thereof Mobile Internet	12.44	12.25	+ 0.19
thereof broadband connections	3.95	4.01	- 0.06

Development of Consumer Access contracts in the fourth quarter of 2024

in million	Dec. 31, 2024	Sept. 30, 2024	Change
Consumer Access, total contracts	16.39	16.35	+ 0.04
thereof Mobile Internet	12.44	12.38	+ 0.06
thereof broadband connections	3.95	3.97	- 0.02

Sales of the Consumer Access segment fell by -0.8% in the fiscal year 2024, from € 4,096.7 million in the previous year to € 4,064.3 million. High-margin **service revenues** – which represent the core business of the segment and were impacted by weaker contract growth – rose by 1.8% from € 3,243.2 million in the previous year to € 3,303.1 million in the fiscal year 2024. At € 761.2 million, low-margin **hardware sales** were -10.8% or € -92.3 million down on the previous year (€ 853.5 million). Hardware business is subject to seasonal fluctuations and also depends on the appeal of new devices and the model cycles of manufacturers.

In the fiscal year 2024, customer contracts, sales and earnings were unexpectedly burdened by the effects of a temporary outage of the new 1&1 mobile network in May 2024 and the associated increase in customer churn. Moreover, the planned migration of existing customers to the 1&1 mobile network was temporarily severely restricted due to the unforeseen undersizing of individual network components and could only be resumed extensively in the fourth quarter of 2024. As a result, the savings expected in fiscal year 2024 from the migration of existing customer contracts (on a wholesale basis) to the 1&1 mobile network were only achieved in part. In addition, there were temporarily higher expenses for the elimination of capacity bottlenecks identified as a result of the network outage.

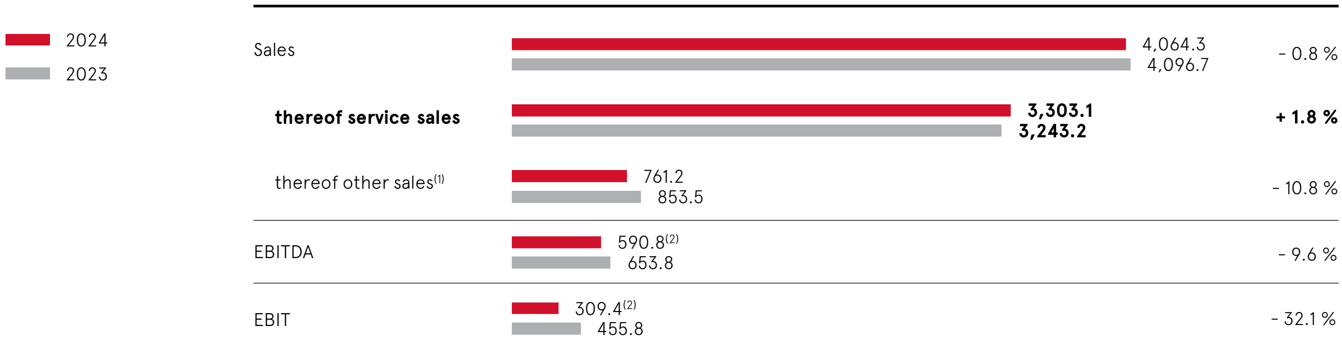
Segment EBITDA amounted to € 590.8 million in the fiscal year 2024 (prior year: € 653.8 million). EBITDA includes higher than expected expenses for the rollout of 1&1's mobile network. In total, these amounted to € -265.3 million (prior year: € -132.4 million). This item also contains out-of-period expenses of € 14.3 million from subsequent billing for the network rollout in 2022 and 2023.

Due to these expenses and increased depreciation for investments in the establishment of the 1&1 mobile network, **segment EBIT** of € 309.4 million was below the prior-year figure (€ 455.8 million).

The **EBITDA margin** decreased from 16.0% to 14.5% and the **EBIT margin** from 11.1% to 7.6%.

The number of **employees** in this segment decreased to 3,281 in 2024 (prior year: 3,320).

Key sales and earnings figures in the Consumer Access segment (in € million)



(1) Mainly hardware sales
(2) Including out-of-period expenses for network expansion from 2022 and 2023 (EBITDA and EBIT effect: € -14.3 million)

Quarterly development; change over prior-year quarter[1]

in € million	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q4 2023	Change
Sales	1,024.4	991.5	1,001.3	1,047.1	1,064.9	- 1.7%
thereof service sales	**821.9**	**823.0**	**833.8**	**824.4**	**824.3**	**+ 0.0%**
thereof other sales[2]	202.5	168.5	167.5	222.7	240.6	- 7.4%
EBITDA	182.3	144.3	136.4[3]	127.8	142.7	- 10.4%
EBIT	117.9	78.2	91.4[3]	21.9	92.1	- 76.2%

(1) Unaudited; see note "unaudited disclosures" on page 3
(2) Mainly hardware sales
(3) Including out-of-period expenses for network expansion from 2022 and 2023 (EBITDA and EBIT effect: € -14.3 million)

Multi-period overview: Development of key sales and earnings figures

in € million	2020	2021	2022	2023	2024
Sales	3,786.8	3,909.7	3,963.7	4,096.7	4,064.3
thereof service sales	**3,020.0**	**3,123.4**	**3,175.4**	**3,243.2**	**3,303.1**
thereof other sales[2]	766.8	786.3	788.3	853.5	761.2
EBITDA	637.8[2]	671.9[3]	693.3	653.8	590.8[4]
EBITDA margin	16.8%	17.2%	17.5%	16.0%	14.5%
EBIT	482.4[2]	507.3[3]	534.9	455.8	309.4[4]
EBIT margin	12.7%	13.0%	13.5%	11.1%	7.6%

(1) Mainly hardware sales
(1) Including the non-period positive effect on earnings in 2021 attributable to the second half of 2020 (EBITDA and EBIT effect: € +39.4 million); excluding write-off of VDSL contingents that are still available (EBITDA and EBIT effect: € -129.9 million)
(3) Excluding a non-period positive effect on earnings attributable to the second half of 2020 (EBITDA and EBIT effect: € +39.4 million)
(4) Including out-of-period expenses for network expansion from 2022 and 2023 (EBITDA and EBIT effect: € -14.3 million)

In its operating business, the main focus of the Consumer Access segment was on the operation and further expansion of the 1&1 mobile network.

The national roaming partnership with Vodafone started in late August. The partnership enables 1&1 to offer its mobile customers high network quality even in those areas where 1&1 does not yet have its own coverage during the 1&1 O-RAN rollout phase. National roaming via Vodafone will be available to all 1&1 mobile customers by the end of 2025. At the same time, the national roaming advance services previously procured from Telefónica will be completely phased out.

1&1 also made good progress in its key objective of expanding the 1&1 mobile network as quickly as possible and making Open RAN technology available in an increasing number of areas.

Business Access segment

Sales of the Business Access segment rose by 1.9% in the fiscal year 2024, from € 564.0 million in the previous year to € 574.9 million.

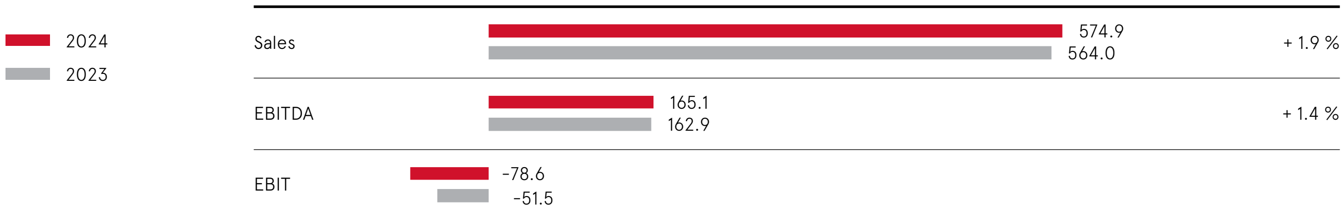
Despite start-up costs for new business fields, **segment EBITDA** improved by 1.4% from € 162.9 million to € 165.1 million. The **EBITDA margin** fell slightly from 28.9% to 28.7%.

In the new "5G" business field, 1&1 Versatel is setting up data centers and fiber-optic connections for the antenna locations of 1&1's mobile network and providing them to 1&1 on a rental basis as part of an intercompany agreement. In the other new business field "Expansion of business parks", 1&1 Versatel uses newly constructed regional expansion clusters to provide fiber-optic connections for companies in business parks. In 2024, total start-up costs for the new business fields amounted to € -21.6 million (prior year: € -21.5 million) for EBITDA and € -117.4 million (prior year:€ -65.2 million) for EBIT.

As a result of the aforementioned start-up costs for new business fields, as well as increased depreciation for the associated investments in network infrastructure, **segment EBIT** decreased from € -51.5 million in the previous year to € -78.6 million.

The number of **employees** in this segment increased by 7.8% in 2024 to 1,640 (prior year: 1,522).

Key sales and earnings figures in the Business Access segment (in € million)



Quarterly development; change over prior-year quarter[1]

in € million	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q4 2023	Change
Sales	141.7	141.5	147.5	144.2	150.6	- 4.2%
EBITDA	35.4	43.3	41.9	44.5	44.7	- 0.4%
EBIT	-23.6	-18.6	-15.1	-21.3	-14.6	

(1) Unaudited; see note "unaudited disclosures" on page 3

Multi-period overview: Development of key sales and earnings figures

in € million	2020	2021	2022	2023	2024
Sales	493.3	514.4	543.4	564.0	574.9
EBITDA	148.6	158.8	154.1	162.9	165.1
EBITDA margin	30.1%	30.9%	28.4%	28.9%	28.7%
EBIT	-48.2	-22.9	-39.5	-51.5	-78.6
EBIT margin	-	-	-	-	-

Consumer Applications segment

As already mentioned in chapter 2.2 "Business development" under "Special items in fiscal year 2024", the Management Board and Supervisory Board decided in March 2024 to discontinue the "Energy" and "De-Mail" business fields in the Consumer Applications segment. The key figures for 2023 and 2024 presented below have been adjusted accordingly. The key financial figures for 2020-2022 in the multi-period overviews, however, remain unchanged.

The business field "De-Mail" was discontinued as of the balance sheet date December 31, 2024.

The number of **pay accounts** (fee-based contracts) in the Consumer Applications segment rose by 240,000 to 3.04 million in the fiscal year 2024. At 38.93 million, however, ad-financed **free accounts** were down on December 31, 2023 (39.93 million), due to higher security requirements.

Development of Consumer Applications accounts in the fiscal year 2024

in million	Dec. 31, 2024	Dec. 31, 2023	Change
Consumer Applications, total accounts	41.97	42.73	- 0.76
thereof with Premium Mail subscription (contracts)	2.22	2.03(1)	+ 0.19
thereof with Value-Added subscription (contracts)	0.82(1)	0.77(1)	+ 0.05
thereof free accounts	38.93	39.93	- 1.00

Development of Consumer Applications accounts in the fourth quarter of 2024

in million	Dec. 31, 2024	Sept. 30, 2024	Change
Consumer Applications, total accounts	41.97	41.66	+ 0.31
thereof with Premium Mail subscription (contracts)	2.22	2.16(1)	+ 0.06
thereof with Value-Added subscription (contracts)	0.82(1)	0.82(1)	0.00
thereof free accounts	38.93	38.68	+ 0.25

(1) Contract figures as of December 31, 2024 excluding 0.02 million Energy contracts (value-added subscription); contract figures as of December 31, 2023 and September 30, 2024 excluding 0.02 million Energy contracts and 0.02 million De-Mail contracts (Premium-Mail subscription)

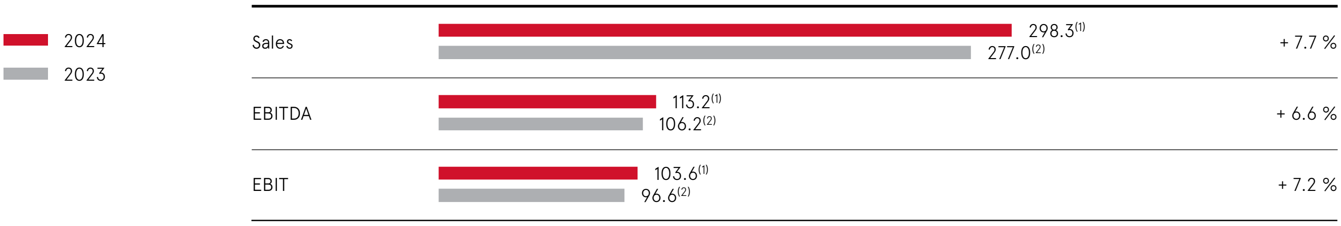
Rising advertising revenues and above all the growth of pay contracts led to sales growth of 6.6% to € 324.5 million in the fiscal year 2024, compared to € 304.3 million in the previous year. Adjusted for sales of € 27.3 million in the prior-year period and € 26.2 million in 2024 from "Energy" and "De-Mail", **sales of the Consumer Applications segment** rose by 7.7%, from € 277.0 million to € 298.3 million.

There was also significant growth in key earnings figures: EBITDA rose by 8.7%, from € 103.5 million in the previous year to € 112.5 million, and EBIT by 9.5% from € 93.8 million to € 102.7 million in 2024. These figures include EBITDA and EBIT contributions from "Energy" and "De-Mail" of € -2.7 million (EBITDA) and € -2.8 million (EBIT) in the previous year and € -0.7 million (EBITDA) and € -0.9 million (EBIT) in 2024. Adjusted for the slightly negative earnings contributions from "Energy" and "De-Mail", **operating segment EBITDA** increased by 6.6% from € 106.2 million to € 113.2 million and **operating segment EBIT** by 7.2% from € 96.6 million to € 103.6 million.

Correspondingly, the **operating EBITDA margin** fell slightly from 38.3% to 37.9% and the **operating EBIT margin** from 34.9% to 34.7%.

The number of **employees** in this segment increased by 3.5% in 2024 to 1,109 (prior year: 1,072).

Key sales and earnings figures in the Consumer Applications segment (in € million)



(1) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 26,2 million; EBITDA contribution: € -0.7 million; EBIT contribution: € -0.9 million)
(2) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 27,3 million; EBITDA contribution: € -2.7 million; EBIT contribution: € -2.8 million)

Quarterly development; change over prior-year quarter(1)

in € million	Q1 2024(1)	Q2 2024(1)	Q3 2024(1)	Q4 2024(1)	Q4 2023(1)	Change
Sales	71.1	73.3	73.2	80.7	82.2	- 1.8%
EBITDA	23.8	30.1	25.0	34.3	35.5	- 3.4%
EBIT	21.3	27.7	22.7	31.9	33.2	- 3.9%

(1) Unaudited; see note "unaudited disclosures" on page 3
(2) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 6.6 million, EBITDA contribution: € -1.3 million, EBIT contribution: € -1.3 million in Q1 2024; sales contribution: € 6.8 million, EBITDA contribution: € +0.6 million, EBIT contribution: € +0.6 million in Q2 2024; sales contribution: € 6.5 million, EBITDA contribution: € +0.5 million, EBIT contribution: € +0.4 million in Q3 2024; sales contribution: € 6.3 million, EBITDA contribution: € -0.5 million, EBIT contribution: € -0.6 million in Q4 2024; sales contribution: € 6.8 million, EBITDA contribution: € -0.5 million, EBIT contribution: € -0.6 million in Q4 2023)

Multi-period overview: Development of key sales and earnings figures

in € million	2020	2021	2022	2023	2024
Sales	257.5	285.2	288.6	277.0(3)	298.3(4)
EBITDA	85.5	102.4(1)	104.4(2)	106.2(3)	113.2(4)
EBITDA margin	33.2%	35.9%	36.2%	38.3%	37.9%
EBIT	77.8	93.3(1)	94.6(2)	96.6(3)	103.6(4)
EBIT margin	30.2%	32.7%	32.8%	34.9%	34.7%

(1) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € +4.9 million) and the intercompany disposal of AWIN AG (EBITDA and EBIT effect: € +50.1 million)
(2) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € -0.5 million)
(3) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 27.3 million; EBITDA contribution: € -2.7 million; EBIT contribution: € -2.8 million)
(4) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 26.2 million; EBITDA contribution: € -0.7 million; EBIT contribution: € -0.9 million)

Business Applications segment

The number of **fee-based Business Applications contracts** rose by 220,000 in the fiscal year 2024. This growth resulted from 60,000 contracts in Germany and 160,000 contracts abroad. As a result, the total number of contracts rose to 9.59 million.

Development of Business Applications contracts in the fiscal year 2024

in million	Dec. 31, 2024	Dec. 31, 2023	Change
Business Applications, total contracts	9.59	9.37[1]	+ 0.22
thereof in Germany	4.63	4.57[1]	+ 0.06
thereof abroad	4.96	4.80	+ 0.16

Development of Business Applications contracts in the fourth quarter of 2024

in million	Dec. 31, 2024	Sept. 30, 2024	Change
Business Applications, total contracts	9.59	9.52[1]	+ 0.07
thereof in Germany	4.63	4.60[1]	+ 0.03
thereof abroad	4.96	4.92	+ 0.04

(1) Contract numbers as of December 31, 2023 and September 30, 2024 retrospectively adjusted downwards by 0.02 million contracts following a change in policy at an IONOS Group subsidiary as part of the annual financial statements as of December 31, 2024.

Sales of the Business Applications segment rose by 9.6% in the fiscal year 2024, from € 1,423.7 million in the previous year to € 1,560.3 million.

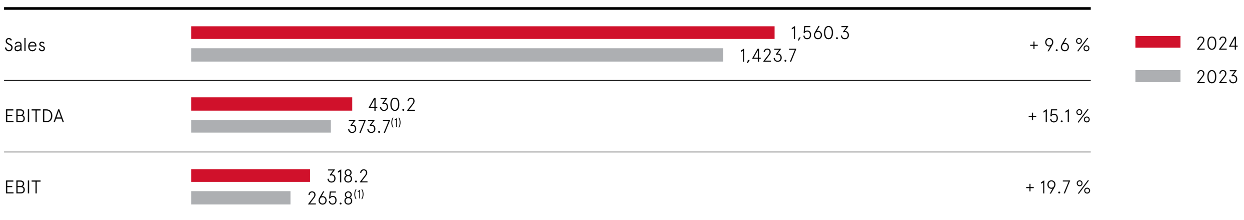
Segment earnings in 2023 were impacted by special items in connection with the IPO of IONOS Group SE. In this connection, there was net income of € +11.7 million which mainly resulted from the contractually agreed assumption of total IPO costs by the IONOS shareholders United Internet and Warburg Pincus.

Adjusted for these special items in the previous year, **operating segment EBITDA** increased by 15.1% from € 373.7 million in the previous year to € 430.2 million, while **operating segment EBIT** rose by 19.7% from € 265.8 million to € 318.2 million.

The **operating EBITDA margin** and the **operating EBIT margin** increased correspondingly strongly from 26.2% to 27.6% and from 18.7% to 20.4%, respectively.

The number of **employees** decreased by 3.2% in 2024 to 4,226 (prior year: 4,364).

Key sales and earnings figures in the Business Applications segment (in € million)



(1) Excluding IPO costs (EBITDA and EBIT effect: € +11.7 million net (IPO costs and offsetting assumption of costs by IONOS shareholders)

Quarterly development; change over prior-year quarter[1]

in € million	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q4 2023	Change
Sales	373.0	378.6	390.0	418.7	365.0	+ 14.7%
EBITDA	101.3	106.1	112.9	109.9	80.0	+ 37.4%
EBIT	74.2	78.6	85.5	79.9	52.6	+ 51.9%

(1) Unaudited; see note "unaudited disclosures" on page 3

Multi-period overview: Development of key sales and earnings figures

in € million	2020	2021	2022	2023	2024
Sales	988.2	1,103.3	1,293.0	1,423.7	1,560.3
EBITDA	340.4	329.3[1]	329.2[2]	373.7[3]	430.2
EBITDA margin	34.4%	29.8%	25.5%	26.2%	27.6%
EBIT	229.5	216.7[1]	216.8[2]	265.8[3]	318.2
EBIT margin	23.2%	19.6%	16.8%	18.7%	20.4%

(1) Excluding IPO costs (EBITDA and EBIT effect: € -3.0 million)
(2) Excluding IPO costs (EBITDA and EBIT effect: € -8.8 million)
(3) Excluding IPO costs (EBITDA and EBIT effect: € +11.7 million net (IPO costs and offsetting assumption of costs by IONOS shareholders))

Besides its operating business, IONOS continued to drive the acquisition of key accounts in its cloud business during the fiscal year 2024.

In April 2024, the German Federal Information Technology Center (ITZBund) commissioned IONOS to set up a private enterprise cloud for the ITZBund data centers. ITZBund is the IT service provider for 200 federal administrative authorities and is tasked with providing them with modern IT support and leading them into the digital future.

The framework agreement has a term of five years. As is common in the cloud sector, the variable order is invoiced on a pay-per-use basis.

Group investments

Significant changes in investments

Investment in Kublai
In June 2024, United Internet AG announced that it would make no further investments in the holding company Kublai GmbH. Kublai currently holds around 95% of shares in Tele Columbus AG.

This decision meant that United Internet waived the right to increase its stake in Kublai to 40% again after it was diluted to around 5% in the course of a capital increase in the first quarter of 2024. Due to the resulting loss of significant influence, a non-cash impairment loss on the investment in Kublai of € 170.5 million was recognized in the Consolidated Financial Statements as at December 31, 2024 and disclosed in the "Result from the loss of significant influence".

As already reported in the Interim Statement Q1 2024, Kublai conducted a capital increase in the first quarter of 2024 to provide Tele Columbus with equity, in which United Internet did not participate. A further shareholder of Kublai is Hilbert Management GmbH, an indirect subsidiary of Morgan Stanley Infrastructure Inc (MSI), an infrastructure fund managed by the investment bank Morgan Stanley, which subscribed to the full amount of the capital increase totaling € 300 million. This resulted in a reduction of United Internet's stake in Kublai to around 5% (previously 40%). Until June 17, 2024, United Internet had the option to increase its stake in Kublai back to 40% by acquiring shares from MSI in return for a payment of € 120 million.

United Internet regards the valuation of Tele Columbus AG on which the capital increase was based as inappropriately low. However, its majority of votes at the shareholders' meeting enabled MSI to conduct the capital increase on the basis of a valuation determined by MSI. United Internet has since initiated the contractually stipulated anti-dilution proceedings and has arranged for the German Arbitration Institute (DIS) to review MSI's valuation. If DIS agrees with United Internet's assessment, United Internet may be awarded compensation of approx. € 300 million. If the court reaches a different conclusion, the awarded claim or compensation amount could be correspondingly lower.

The reason for the decision of the Management Board and Supervisory Board of United Internet AG not to make any further investments in Kublai was a difference of opinion between MSI and United Internet regarding the future funding of Kublai.

Due to the reduction of the shareholding from 40% to around 5% in fiscal year 2024, Kublai was reclassified from "Shares in associated companies" to "Investments". Accordingly, the company's prorated result is no longer recognized in Net Income (under "Result from the loss of significant influence") but is presented in the Balance Sheet.

In addition to its (fully consolidated) core operating companies, United Internet held the following other minority shareholdings as of December 31, 2024, which are included in its result from associated companies.

Minority holdings in partner companies

In July 2013, United Internet acquired a stake in **Open-Xchange AG** (main activity: e-mail and collaboration solutions). United Internet has already been working successfully with the company for many years in its Applications business. As of December 31, 2024, United Internet's share of voting rights amounted to 25.39%. United Internet expects Open-Xchange to post increased revenues and a slightly negative EBITDA for the fiscal year 2024.

In April 2014, United Internet acquired a stake in **uberall GmbH** (main activity: online listings). In addition, uberall and IONOS agreed a long-term cooperation contract for the use of uberall solutions. As of December 31, 2024, the share of voting rights held by United Internet amounted to 25.10%. For 2024, United Internet anticipates increased sales of uberall with a slightly positive EBITDA result.

In April 2017, United Internet acquired a stake in **rankingCoach GmbH** (main activity: online marketing solutions). In addition to the equity stake, rankingCoach and IONOS signed a long-term cooperation agreement for IONOS SE to use the online marketing solutions of rankingCoach as part of its hosting and cloud products marketed in Europe and North America. As of December 31, 2024, the share of voting rights amounted to 31.52%. United Internet expects rankingCoach to achieve sales growth in 2024 and a positive EBITDA result.

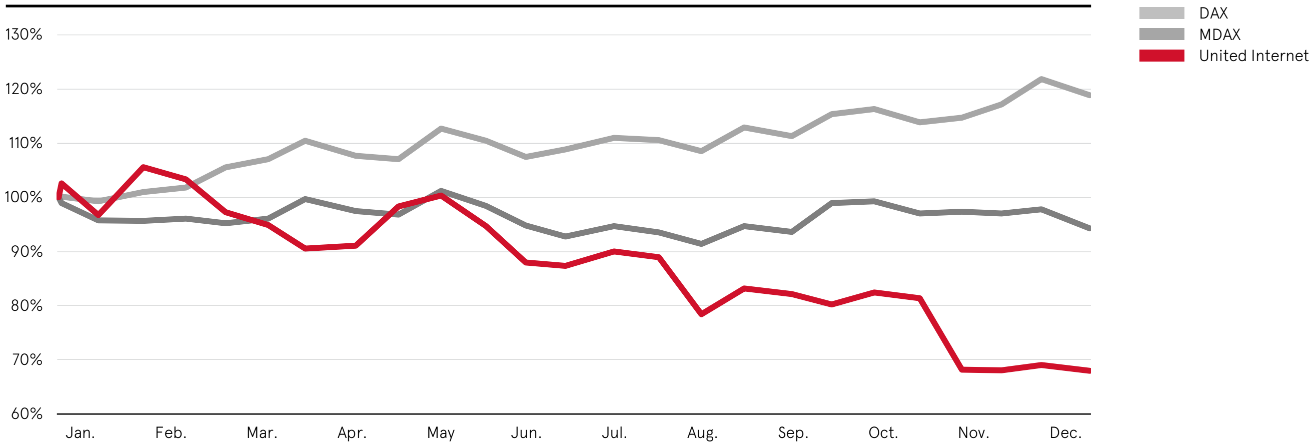
Following the contribution of affilinet GmbH to AWIN in October 2017, United Internet also holds a stake in **AWIN AG** (main activity: affiliate marketing). Several United Internet subsidiaries are currently working together with AWIN and using the company's affiliate network as part of their marketing mix. As of December 31, 2024, United Internet's share of voting rights amounted to 20.00%. United Internet expects further sales growth for AWIN in its fiscal year 2024 and a strongly positive EBITDA result.

Share and dividend

Share

In the fiscal year 2024, the United Internet share price fell significantly by 32.0% to € 15.67 as of December 31, 2024 (December 31, 2023: € 23.04). The share was thus outperformed by the DAX (+18.8%) and the MDAX (-5.7%) indices.

Share performance 2024, indexed



There was a corresponding decrease in the **market capitalization** of United Internet AG from around € 4.42 billion in the previous year to around € 3.00 billion as of December 31, 2024.

In the fiscal year 2024, average daily trading via the XETRA electronic computer trading system amounted to around 200,000 shares (prior year: around 410,000) with an average value of € 3.9 million (prior year: € 7.1 million).

Multi-period overview: share performance
(as of: December 31, 2024; in €; all stock exchange figures based on Xetra trading)

	2020	2021	2022	2023	2024
Closing price	34.43	34.94	18.89	23.04	15.67
Performance	+ 17.6%	+ 1.5%	-45.9%	+ 22.0%	-32.0%
Year-high	43.88	39.34	35.45	23.06	25.00
Year-low	20.76	31.63	18.14	12.54	15.15
Average daily turnover	13,355,218	8,149,290	5,777,474	7,078,087	3,913,674
Average daily turnover (units)	414,786	233,717	221,596	413,556	196,616
Number of shares (units)	194,000,000	194,000,000	194,000,000	192,000,000	192,000,000
Market value (in € million)	6,679.4	6,778.4	3,664.7	4,423.7	3,008.6
EPS(1)	1.55	2.23	1.97	1.35	-0.28
Adjusted EPS(2)	1.87	2.11	2.00	1.41	1.01

(1) EPS from continued operations
(2) EPS from continued operations and without special items

Share data	
Share type	Registered common stock
Notional share of capital stock	€ 1.00
German Securities Identification Number (WKN)	508903
International Securities Identification Number (ISIN)	DE0005089031
Ticker symbol Xetra	UTDI
Reuters ticker symbol	UTDI.DE
Bloomberg ticker symbol	UTDI.GR
Segment	Prime Standard
Index	MDAX, TecDAX
Sector	Telecommunication and Technology Services

Shareholder structure
(as of: December 31, 2024)

Shareholder	Shareholding
Ralph Dommermuth - Ralph Dommermuth GmbH (45.01%) - Ralph Dommermuth Investments GmbH & Co. KG (2.88%) - RD Holding GmbH & Co. KG (1.04%)	48.94%
United Internet (treasury stock)	9.98%
Helikon	5.05%
Bank of America	4.93%
Wellington	3.01%
Free float	28.09%

Presentation of the total positons shown above based on the most recent notification of voting rights in accordance with Sections 33 ff. of the German Securities Trading Act. Accordingly, only voting rights notifications that have reached at least the first notification threshold of 3% are taken into account. In addition, any directors' dealings announcements available to the Company have been taken into account accordingly.

The treasury shares held by United Internet do not carry voting or dividend rights. Due to the non-voting nature of treasury shares, the proportion of shares with voting rights held by companies controlled by Mr. Dommermuth in relation to the total number of voting rights of United Internet AG amounts to 54.37%, the proportion of shares with voting rights held by Helikon to 5.61%, the proportion of shares with voting rights held by Bank of America to 5.48%, the proportion of shares with voting rights held by Wellington to 3.35%, and the proportion of shares with voting rights in free float to 31.19%.

Dividend

United Internet's **dividend policy** aims to pay a dividend to shareholders of approx. 20-40% of adjusted consolidated net income after minority interests (adjusted consolidated net income attributable to the "shareholders of United Internet AG" – according to the consolidated statement of comprehensive income), provided that funds are not needed for further Company development.

At the Annual Shareholders' Meeting of United Internet AG held on May 17, 2024, the proposal of the Management Board and Supervisory Board to pay a **dividend** of € 0.50 per share (prior year: € 0.50) for the fiscal year 2023, was approved with a majority of 99.98% of votes cast. As a consequence, a total of € 86.4 million (prior year: € 86.4 million) was distributed on May 23, 2024. The **payout ratio** was thus 35.6% of the adjusted consolidated net income after minority interests for 2023 (€ 243.0 million) and – in view of the investments already made and still due to be made in the 1&1 mobile communications network and in the expansion of the fiber-optic network – therefore within the upper range targeted by the dividend policy.

For the fiscal year 2024, the Management Board of United Internet AG will propose to the Supervisory Board a regular dividend of € 0.40 per share (prior year: € 0.50). In addition, a one-off catch-up dividend of € 1.50 per share is to be distributed as compensation for the reduced dividend payments for the fiscal years 2018 to 2023. In the past years, United Internet had assumed that Group subsidiary 1&1 would be able to acquire further spectrum by 2025 at the latest. Insofar as additional funds had been necessary, United Internet would have been called upon to provide these as 1&1's main shareholder. Due to a decision taken by the German Federal Network Agency on March 24, 2025, the acquisition of spectrum has now been postponed for several years. In addition to investments in its network rollout, 1&1 expects it will be able to fund the acquisition of further spectrum itself by this time.

The Management Board and Supervisory Board will discuss this **dividend proposal** at the Supervisory Board meeting on March 25, 2025 (and thus after preparation of this Management Report). The Annual Shareholders' Meeting of United Internet AG on May 15, 2025 will then vote on whether to adopt the joint proposal of the Management Board and Supervisory Board.

On the basis of around 172.8 million shares with dividend entitlement (as of December 31, 2024), the regular dividend would result in a total **dividend payment** for fiscal year 2024 of € 69.1 million. The **dividend payout ratio** would therefore be 39.4% of adjusted consolidated net income after minority interests for 2024 (€ 175.5 million) and thus lie – despite the investments already made and still due to be made in the 1&1 mobile network and in the expansion of the fiber-optic network – at the upper end of the dividend policy. Based on the closing price of the United Internet share on December 31, 2024, the **dividend yield** would be 2.6%.

Multi-period overview: dividend development

	For 2020	For 2021	For 2022	For 2023	For 2024[(1)]
Dividend per share (in €)	0.50	0.50	0.50	0.50	0.40
Dividend payment (in € million)	93.6	93.4	86.4	86.4	69.1
Payout ratio	32.2%	22.4%	23.5%	37.1%	-
Adjusted payout ratio[(2)]	26.7%	23.7%	23.1%	35.6%	39.4%
Dividend yield[(3)]	1.5%	1.4%	2.6%	2.2%	2.6%

(1) Subject to approval of Supervisory Board and Annual Shareholders' Meeting 2025
(2) Without special items
(3) As of: December 31

Annual Shareholders' Meeting 2024

The Annual Shareholders' Meeting of United Internet AG was held in Frankfurt am Main on May 17, 2024.

Of the Company's registered capital stock of € 192,000,000.00, divided into192,000,000 no-par value shares, of which 19,183,705 treasury shares without voting rights, a total of 131,411,711 no-par value shares with the same number of voting rights were represented. Including the postal votes received for 804,467 no-par value shares, this corresponded to a total of 132,216,178 no-par value shares or 68.86% of the registered capital stock, or 76.51% of the registered capital stock less treasury shares.

The shareholders adopted all resolutions on the agenda requiring voting with large majorities.

Capital stock and treasury shares

Following the issue of shares as part of employee stock ownership plans, United Internet AG held a total of 19,162,689 treasury shares as at the balance sheet date of December 31, 2024, corresponding to 9.98% of the capital stock of 192,000,000 shares (December 31, 2023: 19,183,705 treasury shares or 9.99% of capital stock).

Investor Relations

United Internet attaches great importance to maintaining close contact with institutional and private investors, as well as with financial analysts. The Company aims to provide all target groups with timely information without discrimination, as continuous and transparent capital market communication is essential for the long-term growth of the Company's value. To this end, the Management Board and the Investor Relations team were in regular contact with capital market participants throughout fiscal year 2024.

United Internet continues to take an proactive approach to discussing and explaining the progress of its business strategy via its quarterly statements, half-year financial report and annual report, at its Annual Shareholders' Meeting, at press and analyst conferences, and via virtual formats. Together with Investor Relations, management took part in numerous one-on-one discussions at the Company's offices in Montabaur, as well as at roadshows and conferences in Europe and North America.

A range of topics were discussed at these meetings, including the Group's strategic priorities, its progress in expanding Europe's most advanced 5G mobile network, the financial targets including possible future capital allocation, and new product launches. External factors such as the upcoming spectrum auction of the Federal Network Agency and competitive developments were also of great interest.

In total, management and Investor Relations presented United Internet's equity story at roadshows and at national and international conferences on around 20 days. In addition, the Company is tracked and covered by numerous German and international financial analysts. The current analyst recommendations for the share, as well as the average upside target set by analysts for the United Internet share, are available online at united-internet.de/investor-relations/aktie/analysten-coverage.

Apart from one-on-one meetings, shareholders and potential future investors can also receive the latest news around the clock via the Company's extensive and bilingual website (www.united-internet.de). In addition to the publication dates of financial reports, the dates and venues of investor conferences and roadshows are made publicly available at https://www.united-internet.de/investor-relations/finanzkalender.html. Online versions of the Annual Report and Sustainability Report are also provided on the corporate website.

Personnel report

As a telecommunications and internet company, United Internet is subject to the defining characteristics of the industry: rapid change, short innovation cycles, and fierce competition. United Internet AG has risen to these challenges with great success over many years now. One of the key factors for the success and growth of the United Internet Group are its dedicated and highly competent employees and executives with their entrepreneurial and autonomous approach to work. The Company therefore attaches great importance to a sustainable and balanced strategy across all aspects of its HR activities: from employee recruitment, to targeted entry-level and vocational training formats, tailored skills training programs, support with individual career paths, through to sustainable management development programs, and the long-term retention of executives, high potentials, and top performers.

United Internet AG was once again recognized as a top employer in 2024. Based on an independent study of the "Top Employers Institute", United Internet received the "TOP Employers Germany" award – as in the preceding years. Certification is only awarded to organizations which offer staff attractive working conditions. Assessment is based on career opportunities, employer benefits, and working conditions, as well as training and development opportunities.

Headcount and personnel expenses

In the highly competitive market for skilled workers in the ICT sector, United Internet once again succeeded in recruiting top staff for its key positions and thus meeting the needs of its growing business.

In addition to targeted employer branding, partnerships with education and training providers, and the positive impact of the Company's product brands, our successful recruitment efforts center around a candidate-friendly, highly competitive acquisition and selection process.

In the fiscal year 2024, the number of employees remained virtually unchanged from the previous year. Specifically, it rose slightly by 0.1% or 10 employees to 10,972 (prior year: 10,962).

Headcount in Germany rose by 0.2% or 17 employees, to 8,998 as of December 31, 2024 (prior year: 8,981). The number of employees at the Group's non-German subsidiaries fell slightly by 0.4%, or 7 employees, to 1,974 (prior year: 1,981).

Multi-period overview: headcount development by location[1]; year-on-year change

	2020	2021	2022	2023	2024	Change
Employees, total	9,638	9,975	10,474	10,962	10,972	+ 0.1%
thereof in Germany	7,929	8,199	8,550	8,981	8,998	+ 0.2%
thereof abroad	1,709	1,776	1,924	1,981	1,974	- 0.4%

(1) Active employees as December 31 of the respective fiscal year

Employees of United Internet AG work in an international environment at around 40 sites around the world.

Multi-period overview: employees by country[1]

	2020	2021	2022	2023	2024
Mitarbeitende, gesamt	9.638	9.975	10.474	10.962	10.972
davon Deutschland	7.929	8.199	8.550	8.981	8.998
davon Frankreich	3	4	7	8	9
davon Großbritannien	251	251	246	273	242
davon Österreich	44	65	67	72	58
davon Philippinen	395	392	468	464	504
davon Polen	299	333	352	339	319
davon Rumänien	217	229	242	261	284
davon Spanien	340	381	422	445	444
davon USA	160	121	120	119	114

(1) Active employees as December 31 of the respective fiscal year

From the segment perspective, there were 3,281 employees in the Consumer Access segment (prior year: 3,320), 1,640 in the Business Access segment (prior year: 1,522), 1,109 in the Consumer Applications segment (prior year: 1,072), and 4,226 in the Business Applications segment (prior year: 4,364). A further 716 people (prior year: 684) were employed at the Group's headquarters (Corporate/HQ).

Multi-period overview: headcount development by segment[1] ; year-on-year change

	2020	2021	2022	2023	2024	Change
Employees, total	9,638	9,975	10,474	10,962	10,972	+ 0.1%
thereof Consumer Access	3,191	3,167	3,163	3,320	3,326	+ 0.2%
thereof Business Access	1,188	1,238	1,336	1,522	1,640	+ 7.8%
thereof Consumer Applications	1,005	1,004	1,036	1,072	1,109	+ 3.5%
thereof Business Applications	3,631	3,998	4,247	4,364	4,226	- 3.2%
thereof Corporate/Shared Services	623	568	692	684	671	- 1.9%

(1) Active employees as December 31 of the respective fiscal year

Due to salary adjustments to compensate for high inflation, **personnel expenses** rose by 7.7% to € 818.4 million in the fiscal year 2024 (prior year: € 760.0 million). As a result, the **personnel expense ratio** increased to 12.9%.

Multi-period overview: development of personnel expenses; year-on-year change

in € million	2020	2021	2022	2023	2024	Change
Personnel expenses	592.3	645.4	675.5	760.0	818.4	+ 7.7%
Personnel expense ratio	11.0%	11.4%	11.4%	12.2%	12.9%	

Sales per employee, based on annual average headcount, amounted to approx. € 0.58 million in fiscal year 2024 (prior year: approx. € 0.58 million).

For further information on topics such as "Working Conditions and HR Strategy", "Training and Skills Development", "Diversity and Equal Opportunities", and "Health and Safety", please refer to the chapter "Social Information – S1 – Own Workforce" in the Sustainability Report 2024 of United Internet AG, which will be published in late March 2025 (at https://www.united-internet.de/en/investor-relations/publications/reports.html).

Liquidity and finance

The Group's financial strategy is primarily geared to the strategic business plans of its operating business units. In order to provide sufficient flexibility for further growth, United Internet therefore constantly monitors trends in funding opportunities arising on the financial markets. Various options for funding and potential for optimizing existing financial instruments are regularly reviewed. The main focus is on ensuring sufficient liquidity and the financial independence of the Group at all times. In addition to its own financial strength, the Group maintains sufficient liquidity reserves with core banks. The flexible use of these liquidity reserves enables efficient management of Group liquidity, as well as optimal debt management to reduce interest costs.

A euro cash pooling agreement (zero balancing) has been in place between United Internet AG and certain subsidiaries since July 2012. Under the agreement, credit and debit balances of the participating Group subsidiaries are pooled and netted via several cascades in a central bank account of United Internet AG and available each banking day.

At the end of the reporting period on December 31, 2024, the Group's **bank liabilities** amounted to € 2,813.7 million (prior year: € 2,464.3 million) and mainly comprise promissory note loans, syndicated loans, and bilateral credit agreements / credit facilities.

Promissory note loans

In the fiscal year 2024, United Internet AG successfully placed a promissory note loan ("Schuldscheindarlehen") – as in the years 2017, 2021, and 2023 – with an amount of € 280 million. The proceeds from this transaction are used for general company funding. There are no covenants attached to the new promissory note loan.

Moreover, two promissory note loan tranches totaling € 225.0 million were redeemed on schedule in the fiscal year 2024.

At the end of the reporting period on December 31, 2024, total liabilities from the promissory note loans 2017, 2021, 2023 and 2024 with maximum terms until April 2031 therefore amounted to € 1,217.0 million (prior year: € 1,162.0 million).

Partial repayment of the shareholder loan by IONOS Group SE

In December 2023, IONOS Group SE concluded a loan of € 800 million with a banking syndicate to partially refinance its existing shareholder loan with United Internet AG. The refinancing is at a fixed annual interest rate of 4.67%. The syndicated loan has a term until December 15, 2026 and is due at maturity.

Following further partial repayments in fiscal year 2024, the shareholder loan with United Internet amounts to € 170 million (prior year: € 350 million) and is subordinated. The shareholder loan continues to have a fixed annual interest rate of 6.75%, a term until December 15, 2026, and is to be gradually repaid before this date.

Syndicated loan facilities & syndicated loans

On December 21, 2018, a banking syndicate granted United Internet AG a revolving syndicated loan facility totaling € 810 million until January 2025. In the fiscal year 2020, the Company made use of a contractually agreed prolongation option and extended the term of the revolving syndicated loan facility for the period from January 2025 to January 2026. A credit facility of € 690 million was agreed for this prolongation period.

In December 2024, United Internet successfully refinanced the above-mentioned syndicated loan facility with its core banks. The **new syndicated loan facility** of € 950 million has a term until December 2029 with contractually agreed extension options.

As of the balance sheet date on December 31, 2024, € 150 million of the new syndicated loan facility had been drawn (prior year: € 150 million). As a result, funds of € 800 million (prior year: € 660 million) were still available to be drawn from the credit facility as at the balance sheet date.

In addition, the Group took out a **syndicated loan** of € 550 million in December 2024, which will fall due in December 2027. United Internet AG incorporated part of its existing bilateral credit lines with core banks into the syndicated loan, enabling it to successfully refinance them in the long term.

As of the balance sheet date on December 31, 2024, the above-mentioned syndicated of € 550 million was drawn in full (prior year: €0).

In addition, United Internet and Japan Bank for International Cooperation (JBIC) signed a **loan agreement** for up to € 800 million, also in December 2024. The funds will be provided by one tranche directly from JBIC, which is wholly owned by the Japanese government, and one tranche from a consortium of European and Japanese commercial banks guaranteed by JBIC.

The loan is intended to provide United Internet with funds to build a 5G network in Germany based on Open RAN technology through its subsidiary 1&1.

As of the balance sheet date on December 31, 2024, the above-mentioned loan had not been drawn down and the full amount of € 800 million was thus still available (prior year: €0).

Bilateral credit agreements / bilateral credit facilities

In addition, the Company continues to have various bilateral credit facilities amounting to € 294 million (prior year: € 475 million). These have been granted in part until further notice and in part have terms until September 30, 2025.

Drawings of € 94 million (prior year: € 295 million) had been made from these credit facilities as at the end of the reporting period on December 31, 2024. As a result, funds of € 200 million are still available.

United Internet therefore had **free credit lines** from syndicated loan facilities and bilateral credit agreements totaling € 1,800 million (prior year: € 840 million) as at the end of the reporting period on December 31, 2024.

For further information, please refer to “Subsequent events”.

In addition to the above mentioned credit lines, the Group has guaranty credit facilities of € 106.0 million (prior year: € 105.0 million) as at the end of the reporting period, which in some cases can also be used by other Group companies. The guaranty credit facilities are available in particular for the provision of operational bank guarantees.

Further disclosures on the various financial instruments, drawings, interest rates, and maturities are provided under note 31 of the Notes to the Consolidated Financial Statements.

As of the reporting date, there are purchase obligations for property, plant and equipment (especially for network infrastructure) totaling € 342.4 million (prior year: € 591.4 million). In addition, there are purchase commitments for intangible assets (especially software) totaling € 19.9 million (prior year: € 68.0 million).

For further details on significant investment obligations, please refer to notes 26 and 27 of the Notes to the Consolidated Financial Statements.

2.3 Position of the Group

There were **no significant acquisition or divestment effects** on consolidated and segment sales and EBITDA in the fiscal year 2024. There were also only **minor positive currency effects** at Group and segment level (mainly Business Applications segment) amounting to € 6.0 million for sales and € 2.7 million for EBITDA. The same applies to the Group's asset position, for which there were no significant effects from currency fluctuations.

Group's earnings position

In the fiscal year 2024, customer contracts, sales and earnings at Group level were unexpectedly burdened by the effects of a temporary outage of the new 1&1 mobile network in May 2024 and the associated increase in customer churn. Moreover, the planned migration of existing customers to the 1&1 mobile network was temporarily severely restricted due to the unforeseen undersizing of individual network components and could only be resumed extensively in the fourth quarter of 2024. As a result, the savings expected in fiscal year 2024 from the migration of existing customer contracts (on a wholesale basis) to the 1&1 mobile network were only partially achieved. In addition, there were temporarily higher expenses for the elimination of capacity bottlenecks identified as a result of the network outage.

In the fiscal year 2024, the total number of **fee-based customer contracts** in the United Internet Group was raised by 590,000 contracts to 29.02 million. At 38.93 million, ad-financed free accounts were down on December 31, 2023 (39.93 million), due mainly to higher security requirements.

Total Group sales amounted to € 6,329.2 million, compared to € 6,213.2 million in the prior-year period. Adjusted for the sales contributions from "Energy" and "De-Mail" (€ 27.3 million in the previous year and € 26.2 million in 2024), **consolidated sales** rose by 1.9% from € 6,185.9 million in the previous year to € 6,303.0 million in the fiscal year 2024. This merely moderate sales growth was mainly due to a year-on-year decline in low-margin hardware revenues (especially smartphones) in the Consumer Access segment (€ -92.3 million compared to 2023). **Sales outside Germany** amounted to € 665.0 million (prior year: € 656.9 million).

There was a disproportionately strong rise in the cost of sales, sales and marketing expenses, and administrative expenses in the fiscal year 2024. This was mainly due to increased expenditure for the 1&1 mobile network, higher depreciation and amortization due to investments in the expansion of the fiber-optic network and mobile network, as well as increased personnel expenses due to salary adjustments in 2024 in order to keep pace with price increases.

Consequently, the **cost of sales** increased from € 4,145.1 million in the previous year to € 4,325.7 million. This figure includes out-of-period expenses of € -14.3 million from subsequent billing for additional services during the network rollout in 2022 and 2023. There was therefore a disproportionately strong rise in the cost of sales ratio from 66.7% (of sales) in the previous year to 68.3% (of sales) in the fiscal year 2024. There was a corresponding decrease in the **gross margin** from 33.3% to 31.7% and **gross profit** fell by -3.1% from € 2,068.1 million to € 2,003.5 million.

Sales and marketing expenses also rose faster than sales, from € 943.2 million (15.2% of sales) in the previous year to € 981.9 million (15.5% of sales), while **administrative expenses** increased from € 275.9 million (4.4% of sales) to € 287.8 million (4.5% of sales).

Multi-period overview: Development of key cost items

in € million	2020	2021	2022	2023	2024
Cost of sales	3,769.3	3,684.9[1]	3,906.3	4,145.1	4,325.7
Cost of sales ratio	70.2%	65.3%	66.0%	66.7%	68.3%
Gross margin	29.8%	34.7%	34.0%	33.3%	31.7%
Selling expenses	767.9	835.7	907.2	943.2	981.9
Selling expenses ratio	14.3%	14.8%	15.3%	15.2%	15.5%
Administrative expenses	206.0	243.0	248.5	275.9	287.8
Administrative expenses ratio	3.8%	4.3%	4.2%	4.4%	4.5%

(1) Including the non-period positive effect on earnings attributable to the second half of 2020 (EBITDA and EBIT effect: € +39.4 million)

Other operating expenses decreased from € 33.3 million in the previous year to € 26.2 million in 2024. **Other operating income** increased from € 60.6 million to € 72.0 million. Due to an increase in payment defaults, **impairment losses on receivables and contract assets** rose from € 122.3 million in the previous year to € 140.9 million in 2024.

Key earnings figures were influenced by the following **special items** in the fiscal years 2024 and 2023:

- The special item **"Earnings contribution from Energy and De-Mail"** results from the decision of the Management Board and Supervisory Board to discontinue the business fields "Energy" and "De-Mail" and to adjust the key financial figures in the Management Report accordingly. The aforementioned business fields had a **negative** impact on EBITDA, EBIT, EBT, net income and EPS in the fiscal years 2024 and 2023.

- The special item **"Non-cash impairment loss on the investment in Kublai"** results from a non-scheduled, non-cash impairment loss on the Kublai/Tele Columbus shareholding and had a **negative** impact on EBT, net income and EPS in the fiscal year 2024.

- The special item **"One-off tax effects 2024"** results from a one-off writedown of deferred taxes on loss carryforwards capitalized in previous years on the level of 1&1 Versatel GmbH. There was an opposing effect from direct netting of current losses of 1&1 Versatel on the level of United Internet AG due to a profit and loss agreement concluded with 1&1 Versatel in November 2024. This special item had a **negative** impact on net income and EPS in the fiscal year 2024.

Further details on the above mentioned special items 2024 are provided in chapter 2.2 "Business development" under "Special items in fiscal year 2024".

- The special item **"IPO costs IONOS"** results from one-off costs in connection with the IPO of IONOS Group SE, as well as – with an opposing effect – the partial assumption of costs by IONOS co-owner Warburg Pincus, and had an overall **negative** impact on EBITDA, EBIT, EBT, net income, and EPS in the fiscal year 2023.

Reconciliation of EBITDA, EBIT, EBT, net income, and EPS with figures adjusted for special items (operating)

in € million; EPS in €	Fiscal year 2024	Fiscal year 2023[1]
EBITDA	1,294.0	1,292.1
Earnings contribution of Energy and De-Mail	0.7	2.7
IPO costs IONOS		1.7
EBITDA adjusted (operating)	**1,294.7**	**1,296.5**
EBIT	638.7	754.0
Earnings contribution of Energy and De-Mail	0.9	2.8
IPO costs IONOS		1.7
EBIT adjusted (operating)	**639.6**	**758.5**
EBT	302.6	597.6
Earnings contribution of Energy and De-Mail	0.9	2.8
Non-cash impairment loss on the investment in Kublai	170.5	
IPO costs IONOS		1.7
EBT adjusted (operating)	**474.0**	**602.1**
Net income	58.3	362.2
Earnings contribution of Energy and De-Mail	0.6	2.0
Non-cash impairment loss on the investment in Kublai	170.5	
One-time tax effects in 2024	52.0	
IPO costs IONOS		1.7
Net income adjusted (operating)	**281.4**	**365.9**
Net income "Shareholders United Internet"	-47.6	232.7
Earnings contribution of Energy and De-Mail	0.6	2.0
Non-cash impairment loss on the investment in Kublai	170.5	
One-time tax effects in 2024	52.0	
IPO costs IONOS		5.9
Net income "Shareholders United Internet" adjusted (operating)	**175.5**	**240.6**
EPS	-0.28	1.35
Earnings contribution of Energy and De-Mail	0.00	0.01
Non-cash impairment loss on the investment in Kublai	0.99	
One-time tax effects in 2024	0.30	
IPO costs IONOS		0.03
EPS adjusted (operating)	**1.01**	**1.39**

(1) The valuation effects from derivatives adjusted in the 2023 management report are included in the earnings contribution from Energy.

Adjusted for the above mentioned special items from the IPO of IONOS in the previous year, as well as the earnings contributions of "Energy" and "De-Mail" in the previous year and in the fiscal year 2024, the Group's key operating performance measures developed as follows:

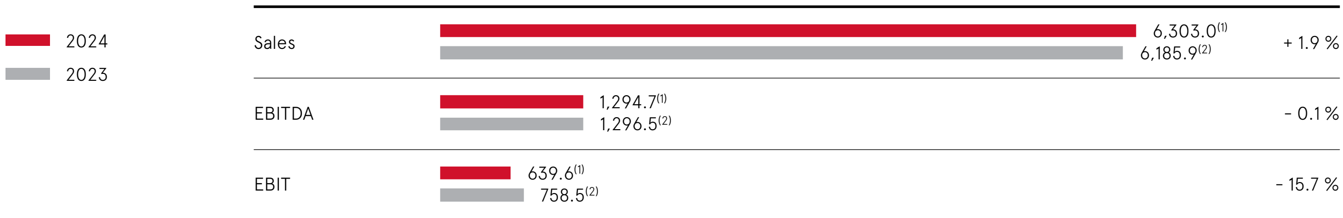
Consolidated operating EBITDA amounted to € 1,294.7 million in the fiscal year 2024 and was thus only slightly below the prior-year figure (€ 1,296.5 million). In addition to burdens on earnings from the temporary outage of the 1&1 mobile network, EBITDA includes higher than expected expenses for the rollout of 1&1's mobile network. In total, these amounted to € -265.3 million (prior year: € -132.4 million). This item also includes € 14.3 million out-of-period expenses from subsequent billing for the network rollout in 2022 and 2023.

In addition to network rollout costs and out-of-period expenses, **operating EBIT** was additionally burdened by increased depreciation of € -541.2 million (prior year: € -424.1 million) resulting in particular from investments in the expansion of 1&1 Versatel's fiber-optic network and 1&1's mobile network. As a consequence, it amounted to € 639.6 million (prior year: € 758.5 million).

There was a corresponding decrease in the **operating EBITDA margin** from 21.0% in the previous year to 20.5% and in the **operating EBIT margin** from 12.3% to 10.1%.

At 10,972, the number of Group **employees** remained virtually unchanged (prior year: 10,962).

Key sales and earnings figures of the Group (in € million)



(1) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 26.2 million; EBITDA contribution: € -0.7 million; EBIT contribution: € -0.9 million); including out-of-period expenses for network expansion from 2022 and 2023 (EBITDA and EBIT effect: € -14.3 million)
(2) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 27.3 million; EBITDA contribution: € -2.7 million; EBIT contribution: € -2.8 million) and excluding IPO costs IONOS (EBITDA and EBIT effect: € -1.7 million net (IPO costs and offsetting pro rata assumption of costs by the IONOS co-shareholder))

Quarterly development; change over prior-year quarter[1]

in € million	Q1 2024[2]	Q2 2024[2]	Q3 2024[2]	Q4 2024[2]	Q4 2023[2]	Change
Sales	1,565.0	1,534.9	1,560.8	1,642.3	1,617.5	+ 1.5%
EBITDA	342.1	320.2	316.1[3]	316.3	303.7	+ 4.1%
EBIT	187.0	160.4	182.1[3]	110.1	162.1	- 32.1%

(1) Unaudited; see note "unaudited disclosures" on page 3
(2) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 6.6 million, EBITDA contribution: € -1.3 million, EBIT contribution: € -1.3 million in Q1 2024; sales contribution: € 6.8 million, EBITDA contribution: € +0.6 million, EBIT contribution: € +0.6 million in Q2 2024; sales contribution: € 6.5 million, EBITDA contribution: € +0.5 million, EBIT contribution: € +0.4 million in Q3 2024; sales contribution: € 6.3 million, EBITDA contribution: € -0.5 million, EBIT contribution: € -0.6 million in Q4 2024; sales contribution: € 6.8 million, EBITDA contribution: € -0.5 million, EBIT contribution: € -0.6 million in Q4 2023) and excluding IPO costs IONOS (EBITDA and EBIT effect: € -0.1 million net in Q4 2023)
(3) Including out-of-period expenses for network expansion from 2022 and 2023 (EBITDA and EBIT effect: € -14.3 million)

Multi-period overview: Development of key sales and earnings figures

in € million	2020	2021	2022	2023	2024
Sales	5,367.2	5,646.2	5,915.1	6,185.9(4)	6,303.0(4)
EBITDA	1,218.2(1)	1,262.4(2)	1,271.8(3)	1,296.5(4)	1,294.7(5)
EBITDA margin	22.7%	22.4%	21.5%	21.0%	20.5%
EBIT	744.2(1)	788.6(2)	790.7(3)	758.5(4)	639.6(5)
EBIT margin	13.9%	14.0%	13.4%	12.3%	10.1%

(1) Including the non-period positive effect on earnings in 2021 attributable to the second half of 2020 (EBITDA and EBIT effect: € +39.4 million); excluding write-off of VDSL contingents that are still available (EBITDA and EBIT effect: € -129.9 million)
(2) Excluding the non-period positive effect on earnings attributable to the second half of 2020 (EBITDA and EBIT effect: € +39.4 million) and excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € +3.0 million)
(3) Excluding a non-cash valuation effect from derivatives (EBITDA and EBIT effect: € -0.5 million) and excluding IPO costs IONOS (EBITDA and EBIT effect: € -8.8 million)
(4) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 27.3 million; EBITDA contribution: € -2.7 million; EBIT contribution: € -2.8 million) and excluding IPO costs IONOS (EBITDA and EBIT effect: € -1,7 million net (IPO costs and offsetting pro rata assumption of costs by the IONOS co-shareholder))
(5) Excluding the sales and earnings contributions from Energy and De-Mail (sales contribution: € 26.2 million; EBITDA contribution: € -0.7 million; EBIT contribution: € -0.9 million); including out-of-period expenses for network expansion from 2022 and 2023 (EBITDA and EBIT effect: € -14.3 million)

Additionally adjusted for the non-cash impairment loss on the investment in Kublai/Tele Columbus (disclosed in the "Result from the loss of significant influence"), **operating earnings before taxes (EBT)** of € 474.0 million – based on the decline in operating EBIT as explained above (€ -118.9 million) – were also down on the previous year (€ 602.1 million).

Further adjusted for the one-off tax effects 2024, the Group's other key operating performance measures developed as follows:

Operating consolidated net income and **operating consolidated net income attributable to shareholders of United Internet AG** fell from € 365.9 million to € 281.4 million and from € 240.6 million to € 175.5 million, respectively.

Operating EPS declined from € 1.39 to € 1.01. This was also mainly due to the EBIT development (EPS effect: € -0.40).

Group's financial position

Despite the decline in net income, **cash flow before changes in balance sheet items** (subtotal) rose from € 1,060.9 million in the previous year to € 1,128.9 million in the fiscal year 2024.

Cash flow from operating activities also rose from € 828.5 million to € 954.1 million.

Cash flow from investing activities in the reporting period led to a net outflow of € -765.6 million (prior year: € -798.2 million). This resulted mainly from capital expenditures of € -774.6 million (prior year: € -797.9 million).

United Internet's free cash flow is defined as cash flow from operating activities, less capital expenditures, plus payments from disposals of intangible assets and property, plant, and equipment. In the fiscal year 2024, **free cash flow** improved from € 36.4 million in the previous year to € 184.5 million.

After deducting the cash flow item "Redemption of lease liabilities" – disclosed in cash flow from financing activities since the initial application of the accounting standard IFRS 16 – **free cash flow (after leases)** improved from € -85.0 million in the previous year to € 47.4 million.

In the fiscal year 2024, **cash flow from financing activities** was dominated by the assumption of loans (€ 356.7 million net; prior year: € 305.2 million), payments for interest (€ -149.5 million; prior year: € -91.0 million), the redemption of lease liabilities (€ -137.1 million; prior year: € -121.3 million), and dividend payments (€ -86.4 million; prior year: € -86.4 million). In the previous year, cash flow from financing activities also included the purchase of treasury shares (€ -291.9 million), as well as payments received from minority shareholders (€ 305.0 million) in connection with the IPO of IONOS Group SE and resulting from purchase price payments of Warburg Pincus.

Due to closing-date effects, **cash and cash equivalents** amounted to € 114.9 million as of December 31, 2024, compared to € 27.7 million on the same date last year.

Development of key cash flow figures

in € million	2024	2023	Change
Cash flow before changes in balance sheet items (subtotal)	1,128.9	1,060.9	+ 68.0
Cash flow from operating activities	954.1	828.5	+ 125.6
Cash flow from investing activities	–765.6	–798.2	+ 32.6
Free cash flow(1)	47.4(2)	–85.0(3)	+ 132.4
Cash flow from financing activities	–101.8	–43.6	- 58.2
Cash and cash equivalents on December 31	114.9	27.7	+ 87.2

(1) Free cash flow is defined as cash flow from operating activities, less capital expenditures, plus payments from disposals of intangible assets and property, plant and equipment

(2) 2024 including the repayment portion of lease liabilities (€ -137.1 million), which have been reported under cash flow from financing activities since the fiscal year 2019 (IFRS 16)

(3) 2023 including the repayment portion of lease liabilities (€ -121.3 million), which have been reported under cash flow from financing activities since the fiscal year 2019 (IFRS 16)

For further details on guarantees, leases, and other financial obligations, please refer to chapter 2.2 "Business development", "Liquidity and finance", as well as note 45 of the Notes to the Consolidated Financial Statements.

Group's asset position

The **balance sheet total** increased from € 11.246 billion as of December 31, 2023 to € 11.936 billion on December 31, 2024.

Development of current assets

in € million	Dec. 31, 2024	Dec. 31, 2023	Change
Cash and cash equivalents	114.9	27.7	+ 87.2
Trade accounts receivable	515.8	508.9	+ 6.9
Contract assets	630.3	676.1	- 45.8
Inventories	119.7	178.1	- 58.4
Prepaid expenses	394.2	303.8	+ 90.4
Other financial assets	106.1	96.9	+ 9.3
Income tax claims	93.1	34.8	+ 58.4
Other non-financial assets	15.2	13.8	+ 1.3
Total current assets	**1,989.3**	**1,840.1**	**+ 149.2**

Current assets rose from € 1,840.1 million on December 31, 2023 to € 1,989.3 million as of December 31, 2024. **Cash and cash equivalents** disclosed under current assets increased from € 27.7 million to € 114.9 million due to closing-date effects. The decrease in current **contract assets** from € 676.1 million to € 630.3 million was attributable to the current slower customer growth (compared to previous periods), as well as lower hardware sales, and includes current claims against customers due to accelerated revenue recognition from the application of IFRS 15. After raising **inventories** to avoid supply bottlenecks in late 2023, this item declined from € 178.1 million to € 119.7 million. As a result of prepayments made to advance service providers and closing-date effects, current **prepaid expenses** increased from € 303.8 million to € 394.2 million and mainly comprise the short-term portion of expenses relating to contract acquisition and contract fulfillment according to IFRS 15. **Income tax claims** rose from € 34.8 million to € 93.1 million. The items current **trade accounts receivable**, **other financial assets**, and **other non-financial assets** were all largely unchanged.

Development of non-current assets

in € million	Dec. 31, 2024	Dec. 31, 2023	Change
Shares in associated companies	124.9	373.2	- 248.3
Other financial assets	85.9	8.3	+ 77.6
Property, plant and equipment	3,145.0	2,405.3	+ 739.7
Intangible assets	1,879.8	2,001.6	- 121.8
Goodwill	3,632.7	3,628.8	+ 3.9
Trade accounts receivable	29.9	34.8	- 4.9
Contract assets	187.9	206.6	- 18.7
Prepaid expenses	801.2	679.8	+ 121.4
Deferred tax assets	59.0	67.1	- 8.1
Total non-current assets	**9,946.4**	**9,405.6**	**+ 540.9**

Non-current assets rose from € 9,405.6 million as of December 31, 2023 to € 9,946.4 million on December 31, 2024. Due in particular to the non-cash writedown of the investment in Kublai and the reclassification/rededication of the Kublai investment (resulting from the loss of significant influence) to non-current other financial assets, **shares in associated companies** fell from € 373.2 million to € 124.9 million. There was a corresponding rise in non-current **other financial assets** from € 8.3 million to € 85.9 million. Capital expenditures in the reporting period (especially for the 5G network rollout as well as the expansion of the fiber-optic network in the Consumer Access and Business Access segments) led to a strong increase in **property, plant and equipment** from € 2,405.3 million to € 3,145.0 million, while **intangible assets** declined from € 2,001.6 million to € 1,879.8 million, mainly as a result of increased amortization. Due to prepayments made to advance service providers and closing-date effects, there was a significant increase in non-current **prepaid expenses** from € 679.8 million to € 801.2 million. The items **goodwill**, **non-current trade accounts receivable**, **contract assets**, and **deferred tax assets** were all largely unchanged.

Development of current liabilities

in € million	Dec. 31, 2024	Dec. 31, 2023	Change
Trade accounts payable	798.1	699.2	+ 98.9
Liabilities due to banks	356.5	582.4	- 225.9
Income tax liabilities	48.0	88.0	- 40.0
Contract liabilities	184.0	175.0	+ 9.0
Other accrued liabilities	23.3	26.4	- 3.1
Other financial liabilities	305.8	274.9(1)	+ 30.9
Other non-financial liabilities	165.9	176.7(1)	- 10.8
Total current liabilities	**1,881.6**	**2,022.7**	**- 141.1**

(1) Vorjahr angepasst; die Verbindlichkeiten aus Gehalt wurden aufgrund ihres inhaltlichen Charakters von den finanziellen in die nicht-finanziellen Verbindlichkeiten umgegliedert.

Current liabilities decreased from € 2,022.7 million as of December 31, 2023 to € 1,881.6 million on December 31, 2024. Due to closing-date effects, current **trade accounts payable** increased from € 699.2 million to € 798.1 million. There was a decrease in current **liabilities due to banks** from € 582.4 million to € 356.5 million as a result of their reduction or long-term refinancing. **Income tax liabilities** declined from € 88.0 million to € 48.0 million due to closing-date effects. The items current **contract liabilities**, which mainly include payments received from customer contracts for which the performance has not yet been completely rendered, as well as current **other accrued liabilities**, current **other financial liabilities**, and current **other non-financial liabilities** were largely unchanged.

Development of non-current liabilities

in € million	Dec. 31, 2024	Dec. 31, 2023	Change
Liabilities due to banks	2,457.2	1,881.9	+ 575.4
Deferred tax liabilities	350.7	293.0	+ 57.7
Trade accounts payable	2.4	3.4	- 0.9
Contract liabilities	31.0	32.7	- 1.7
Other accrued liabilities	70.4	68.7	+ 1.8
Other financial liabilities	1,597.6	1,388.3	+ 209.3
Total non-current liabilities	**4,509.4**	**3,667.9**	**+ 841.5**

Non-current liabilities rose from € 3,667.9 million as of December 31, 2023 to € 4,509.4 million on December 31, 2024. This was mainly due to non-current **liabilities due to banks**, which increased from € 1,881.9 million to € 2,457.2 million as a result of the use of existing and new long-term credit facilities and the assumption of a new promissory note loan. **Deferred tax liabilities** rose from € 293.0 million to € 350.7 million. **Other financial liabilities** increased from € 1,388.3 million to € 1,597.6 million, mainly due to higher leasing additions (IFRS 16). The items non-current **trade accounts payable**, non-current **contract liabilities** (which mainly include payments received from customer contracts for which the performance has not yet been completely rendered), and non-current **other accrued liabilities** were all largely unchanged.

Development of equity

in € million	Dec. 31, 2024	Dec. 31, 2023	Change
Capital stock	192.0	192.0	0.0
Capital reserves	2,199.5	2,197.7	+ 1.7
Accumulated profit	2,851.5	2,980.5	- 129.0
Treasury shares	−459.3	−459.8	+ 0.5
Revaluation reserves	2.7	0.1	+ 2.6
Currency translation adjustment	−5.2	−12.5	+ 7.4
Equity attributable to shareholders of the parent company	**4,781.2**	**4,898.0**	**- 116.8**
Non-controlling interests	763.5	657.0	+ 106.5
Total equity	**5,544.7**	**5,555.1**	**- 10.3**

Consolidated **equity capital** fell from € 5,555.1 million as of December 31, 2023 to € 5,544.7 million on December 31, 2024. The Group's **accumulated profit** – comprising the past profits of the consolidated companies, insofar as they were not distributed – decreased from € 2,980.5 million to € 2,851.5 million in the fiscal year 2024. There was a corresponding fall in the consolidated **equity ratio** from 49.4% to 46.5%. This decline was mainly due to the non-cash writedown of the Kublai investment and the effects of the temporary outage of the 1&1 mobile network in May 2024.

Net bank liabilities (i.e., the balance of bank liabilities and cash and cash equivalents) increased by € 262.2 million, from € 2,436.6 million as of December 31, 2023 to € 2,698.8 million on December 31, 2024.

Multi-period overview: development of relative indebtedness

	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2024
Net bank liabilities[1] / EBITDA	1.27	1.31	1.68	1.89	2.09

(1) Net bank liabilities = balance of bank liabilities and cash and cash equivalents

Further details on the objectives and methods of the Group's financial risk management are provided under note 43 of the Notes to the Consolidated Financial Statements.

Multi-period overview: development of key balance sheet items

in € million	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2024
Total assets	9,230.8	9,669.1	10,358.5	11,245.6	11,935.7
Cash and cash equivalents	131.3	110.1	40.5	27.7	114.9
Shares in associated companies	89.6	431.6[1]	429.3	373.2	124.9
Property, plant and equipment	1,271.6	1,379.6	1,851.0	2,405.3	3,145.0
Intangible assets	2,197.8	2,059.4	2,029.3	2,001.6	1,879.8
Goodwill	3,609.4	3,627.8	3,623.4	3,628.8	3,632.7
Liabilities due to banks	1,466.1	1,822.7	2,155.5	2,464.3	2,813.7
Capital stock	194.0	194.0	194.0	192.0[2]	192.0
Equity	4,911.2	4,923.2	5,298.4	5,555.1	5,544.7
Equity ratio	53.2%	50.9%	51.2%	49.4%	46.5%

(1) Increase due to stake in Kublai (2021)
(2) Decrease due to withdrawal of treasury shares (2023)

Management Board's overall assessment of the Group's business situation

In its latest economic outlook, the International Monetary Fund (IMF) reported growth of 3.2% for the global economy in 2024, based on preliminary calculations. For Germany – United Internet's most important market by far with a sales share of around 90% – the IMF's calculations are in line with the preliminary figures of the country's Federal Statistical Office, which reported a decline in (price-adjusted) gross domestic product (GDP) of -0.2% for 2024 (prior year: -0.3%).

Despite the adverse macroeconomic conditions, customer contract figures and sales of United Internet continued to make good progress in the fiscal year 2024 – thanks to its stable and largely non-cyclical business model. The Company was able to increase contracts by 590,000 in total to 29.02 million and raise sales by 1.9%, or € 117.1 million, to € 6.303 billion (without "Energy" and "De-Mail"). This at first glance only moderate sales growth was due in particular to a year-on-year decrease in low-margin hardware revenues (especially smartphones) in the Consumer Access segment (€ -92.3 million compared to 2023).

In the fiscal year 2024, customer contracts, sales and earnings were unexpectedly burdened by the effects of a temporary outage of the new 1&1 mobile network in May 2024 and the associated increase in customer churn. Moreover, the planned migration of existing customers to the 1&1 mobile network was temporarily severely restricted due to the unforeseen undersizing of individual network components and could only be resumed extensively in the fourth quarter of 2024. As a result, the savings expected in fiscal year 2024 from the migration of existing customer contracts (on a wholesale basis) to the 1&1 mobile network were only partially achieved. In addition, there were temporarily higher expenses for the elimination of capacity bottlenecks identified as a result of the network outage.

Despite the above mentioned burdens on earnings, operating EBITDA for the Group of € 1,294.7 million was only slightly below the prior-year figure (€ 1,296.5 million). In addition to burdens from the temporary outage of the 1&1 mobile network, EBITDA includes higher than expected expenses for the rollout of 1&1's mobile network. In total, these amounted to € -265.3 million (prior year: € -132.4 million). This item also includes around € 14 million out-of-period expenses from subsequent billing for the network rollout in 2022 and 2023.

The performance once again highlights the benefits of United Internet's business model based predominantly on electronic subscriptions with fixed monthly payments. This ensures stable and predictable revenues and cash flows, offers protection against cyclical influences and provides the financial scope to win new customers, expand existing customer relationships, and grasp opportunities in new business fields and new markets – organically or via investments and acquisitions.

As of the reporting date for the Annual Financial Statements 2024, and at the time of preparing this Management Report, the Management Board believes that the United Internet Group as a whole is well placed for its further development. It regards the financial position and performance – subject to possible special items – as positive and is optimistic about the Group's future prospects.

2.4 Position of the Company

Earnings of United Internet AG

As a pure holding company, the earnings position of United Internet AG is usually dominated by its investment and financial result. In the fiscal year 2024, **sales** of the parent company amounted to € 0.6 million (prior year: € 1.1 million) and result mainly from services rendered to the Group's subsidiaries.

Other operating income amounted to € 6.4 million (prior year: € 221.4 million). In addition to non-period income and internal charges to Group companies, this mainly resulted from the disposal of financial investments of € 5.6 million (prior year: € 219.1 million) from the conditional purchase price receivables of United Internet AG vis-à-vis the IONOS co-shareholder Warburg Pincus from the sale of shares in IONOS Group SE. In the previous year, the high income from the disposal of financial investments resulted mainly the sale of shares in the course of the IPO of Group subsidiary IONOS Group SE.

Other operating expenses amounted to € 15.5 million (prior year: € 31.3 million including high costs in connection with the IPO of Group subsidiary IONOS Group SE in 2023) and mainly include expenses relating to internal charges for services rendered to Group companies, legal, auditing, and consulting fees, as well as non-period expenses.

Income from profit transfer agreements of € 112.7 million (prior year: € 101.9 million) resulted from profit transfers of 1&1 Mail & Media Applications SE amounting to € 110.0 million (prior year: € 98.9 million), United Internet Corporate Services GmbH amounting to € 2.5 million (prior year: € 2.8 million), and United Internet Service SE amounting to € 0.2 million (prior year: € 0.1 million).

Income from investments amounted to € 13.8 million (prior year: €0) and mainly comprised dividends of 1&1 AG for the fiscal year 2023 and – due to same-period profit recognition – additionally the dividend for the fiscal year 2024. Due to same-period profit recognition for the fiscal year 2022 in the fiscal year 2022, no income from investments was recognized in the previous year.

Expenses for loss assumptions of € 486.5 million (prior year: € 19.2 million) related to the compensation expense of United Internet Investments Holding AG & Co. KG amounting to € 337.7 million (prior year: € 19.2 million), of United Internet Management Holding SE amounting to € 148.8 million (prior year: € 0.04 million), and of United Internet Corporate Holding SE amounting to € 0.03 million (prior year: € 0.04 million).

The year-on-year increase in the loss of United Internet Investments Holding mainly results from the decrease in the shareholding in Kublai GmbH from 40% to around 5% in the fiscal year 2024. On June 14, 2024, United Internet AG announced that it would make no further investments in Kublai GmbH, which holds 95% of shares in Tele Columbus AG. United Internet thereby waived the right to increase its stake in Kublai to 40% again after it was diluted to around 5% in the course of a capital increase in the first quarter of 2024. Against this backdrop, the annual financial statements of United Internet Investments Holding as of December 31, 2024 included a non-scheduled loss from the dilution of shares in Kublai of € 316.0 million.

United Internet is convinced that the valuation of Tele Columbus AG on which the capital increase was based is far too low, resulting in an excessive dilution of United Internet's stake. A further shareholder of Kublai is Hilbert Management GmbH, an indirect subsidiary of Morgan Stanley Infrastructure Inc (MSI), an infrastructure fund managed by the investment bank Morgan Stanley. Its majority of votes at the shareholders' meeting enabled MSI to conduct the capital increase on the basis of a valuation determined by MSI. Via United Internet Investments Holding, United Internet has since indirectly initiated the contractually stipulated anti-dilution proceedings and arranged for a review of MSI's valuation by the German Arbitration Institute ("Deutsche Institution für Schiedsgerichtsbarkeit" - DIS). Should DIS agree with United Internet's assessment, United Internet Investments Holding might be awarded compensation of approx. € 300 million, which would be passed on to United Internet AG via the existing profit transfer agreement. If the court reaches a different conclusion, the awarded claim or compensation amount could be correspondingly lower.

The year-on-year increase in the loss of United Internet Management Holding results mainly from the assumption of the loss of 1&1 Versatel GmbH based on the profit transfer agreement signed with 1&1 Versatel GmbH in November 2024.

Income taxes amounted to tax income of € 17.0 million (prior year: tax loss of € -44.1 million).

Due to high expenses for loss assumptions, the **net loss** in the separate financial statements of United Internet AG for the fiscal year 2024 amounted to € -365.3 million (prior year: € 274.0 million).

Assets and financial position of United Internet AG

The parent company's **balance sheet total** decreased from € 5,865.6 million as of December 31, 2023 to € 5,777.2 million on December 31, 2024.

Non-current assets of the parent company amounting to € 5,442.3 million (prior year: € 4,832.2 million) were dominated by **financial assets**. Due in particular to the transfer of € 370.0 million to capital reserves of 1&1 Versatel GmbH pursuant to section 272 (2) no. 4 HGB , **shares in affiliated companies** increased to € 4,502.2 million (prior year: € 4,132.2 million). **Loans to affiliated companies** rose to € 940.0 million (prior year: € 700.0 million). The change in loans results mainly from the increase in loans to subsidiary 1&1 Versatel GmbH as well as opposing repayments from the subsidiary IONOS Group SE.

Current assets of the parent company amounting to € 254.9 million (prior year: € 1,033.4 million) comprise receivables due from affiliated companies and other assets. The **receivables due from affiliated companies** decreased to € 222.0 million (prior year: € 1,010.6 million). They mainly comprise receivables as part of the cash management system of € 500.1 million (prior year: € 973.3 million), from sales tax grouping of € 59.0 million (prior year: € 54.8 million) as well as – with an opposing effect – liabilities due to affiliated companies from profit transfer agreements of € 335.0 million (prior year: € 16.2 million). The decrease in receivables due from affiliated companies is mainly the result of the decline in receivables from cash management due from the subsidiary 1&1 Versatel GmbH, resulting from the change to long-term financing. The increase in liabilities due to affiliated companies from profit transfer agreements is primarily attributable to the loss of United Internet Investments Holding AG & Co. KG, which in turn mainly results from the loss from dilution of its shareholding in Kublai GmbH in fiscal year 2024 from 40% to around 5%. **Other assets** amounting to € 33.0 million (prior year: € 22.7 million) consist mainly of receivables due from the tax office.

Shareholders' equity of the parent company amounted to € 3,066.2 million as of December 31, 2024 (prior year: € 3,517.4 million). The decrease in equity during the reporting period is mainly due to the dividend payout of € 86.4 million and the net loss of € -365.3 million. The equity ratio declined from 60.0% in the previous year to 53.1% as of December 31, 2024.

The parent company's **accruals** of € 9.9 million (prior year: € 7.7 million) mainly comprise **accrued taxes** amounting to € 6.2 million (prior year: € 5.0 million), as well as **other accrued liabilities** for employee stock ownership plans, legal, auditing and consulting fees, bonuses, and other items totaling € 3.7 million (prior year: € 2.6 million).

The **liabilities of the parent company** are shaped in particular by liabilities due to banks and to affiliated companies. In the fiscal year 2024, **liabilities to banks** increased to € 2,027.2 million (prior year: € 1,668.3 million). Bank liabilities mainly comprise four promissory note loans totaling € 1,217 million (prior year: € 1,162 million), various syndicated loans totaling € 700 million (prior year: € 150 million), credit facilities of € 94 million (prior year: € 295 million), bilateral credit agreements of € 0 million (prior year: € 50 million), and interest of € 16 million (prior year: € 11 million). **Liabilities to affiliated companies** rose to € 608.1 million (prior year: € 564.0 million). They mainly comprise liabilities from the United Internet Group's cash pooling system, liabilities due to affiliated companies from profit transfer agreements, and liabilities from sales tax grouping. **Other liabilities** of € 65.9 million (prior year: € 89.8 million) are mainly sales tax liabilities.

Cash flow of the parent company's financial statements is dominated by cash flows from the profit transfer agreements, as well as the dividends of investments.

Management Board's overall assessment of the current business situation of the parent company

Due to its role as the Group's holding company, the economic position of United Internet AG at parent company level is mainly influenced by its investment and financial result. The above statements on the Group's economic position therefore also apply qualitatively for United Internet AG itself.

2.5 Corporate Responsibility

United Internet AG's Management Board and Supervisory Board consider it their responsibility to ensure the Company's continued existence and create sustainable value through responsible corporate management that takes a long-term perspective. For United Internet, running a business involves more than pursuing economic goals – it also has an obligation to society, the environment, employees, and other stakeholders.

The non-financial Group report was prepared in accordance with sections 315c in conjunction with sections 289c to 289e HGB, including the disclosures contained in this non-financial report to fulfill the requirements of Article 8 of Regulation (EU) 2020/852 (hereinafter "non-financial reporting"). With regard to the structure and presentation of the information, reporting is based on the European Sustainability Reporting Standards (ESRS). This applies in particular to the following aspects of ESRS 1:

- Qualitative characteristics of information
- Double materiality as the basis for sustainability disclosures
- Due diligence
- Value chain
- Time horizons
- Preparation and presentation of sustainability information
- Structure of sustainability statement

Based on the ESRS concept, the impacts, risks and opportunities (IROs) identified using the double materiality analysis form the starting point for identifying the material sustainability topics. Also in line with ESRS, the qualitative and, in individual cases, quantitative information for these sustainability topics is then reported.

For the selection of qualitative information, the sustainability report adopts the concept of "policies, actions and targets" as set out in ESRS 2. Moreover, further quantitative information – collected in line with ESRS if indicated separately – is provided where relevant and possible.

The chapter General Disclosures sets out the basic cross-cutting requirements for sustainability reporting, including the disclosure of corporate strategy, governance, materiality and stakeholder engagement, which are mandatory for all companies. The second chapter maps the environmental information in relation to climate change, resource use, and the circular economy. Information and key figures relating to the Company's own workforce, workers in the supply chain, and consumers and end users are presented in the Social chapter. Finally, there are chapters with content on Corporate Governance and the company-specific governance topics: Digital Ethics and Responsibility. The latter covers company-specific topics, especially with regard to the digital economy, which is relevant for the United Internet Group and the sector in general.

The Company's Sustainability Report 2024, including the Non-Financial Group Report, will be published in late March 2024 (at https://www.united-internet.de/en/investor-relations/publications/reports.html).

In anticipation of the introduction of the European Corporate Sustainability Reporting Directive (CSRD), considerable effort was devoted to meeting the increased regulatory requirements as far as possible in the fiscal year 2024. This included refining sustainability targets within the divisions, strengthening the responsible teams, and expanding and optimizing data collection processes and systems. As a result, the Company is able to present environmental, social and governance (ESG) aspects in greater detail and to make developments within the divisions more visible. At the same time, the existing risk management system was continuously adapted and expanded to ensure that the business model remains robust in the future. Moreover, the recording and updating of the ecological footprint has laid the groundwork for an even more targeted implementation of measures.

The Company's Supervisory Board is responsible for examining the content of sustainability reporting. The Supervisory Board is supported in this by a "limited assurance" review of the separate non-financial Group report by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft.

3. SUBSEQUENT EVENTS

Change in the Management Board

Ralf Hartings, CFO of United Internet AG, stepped down from his position on the Management Board of United Internet AG at his own request as of December 31, 2024. With effect from January 1, 2025, Carsten Theurer is Ralf Harting’s successor as CFO of United Internet AG. Carsten Theurer previously worked for the Schwarz Group for over 20 years, in his last position as Group CFO. In these roles, he accompanied the international growth of the Schwarz Group in the retail sector and played a key role in setting up the company's own production companies.

Use of JBIC loan after the balance sheet date

In December 2024, United Internet and Japan Bank for International Cooperation (JBIC) signed a loan agreement for up to € 800 million. As of the balance sheet date on December 31, 2024, this loan had not been drawn down and the full amount of € 800 million was thus still available (prior year: €0). In February 2025, an amount of € 290 million from the loan was drawn down. As this event occurred after the balance sheet date, it has no effect on the financial information prepared as of the balance sheet date.

Use of syndicated loan facility after the balance sheet date

In December 2024, United Internet successfully refinanced a syndicated loan facility with its core banks. The new syndicated loan facility of € 950 million has a term until December 2029 with contractually agreed extension options. As of the balance sheet date on December 31, 2024, € 150 million of the new syndicated loan facility had been drawn (prior year: € 150 million). As a result, funds of € 800 million (prior year: € 660 million) were still available to be drawn from the credit facility. In March 2025, the loans drawn down to date under the syndicated loan facility were repaid in full, so that the loan facility is now available in full. As the aforementioned event occurred after the balance sheet date, it has no effect on the financial information prepared as of the reporting date.

Federal Network Agency decision on low- and mid-band spectrum

On March 24, 2025, the German Federal Network Agency announced its decision regarding the allocation of low- and mid-band spectrum that will become available from January 2026. The decision is largely based on the consultation draft published in May 2024 and provides for an extension of existing spectrum usage rights for Deutsche Telekom, Vodafone, and Telefónica. This extension is subject to the obligation that Deutsche Telekom, Vodafone, and Telefónica grant 1&1 access to part of their low-band spectrum for shared use. To achieve this, the authority has obliged the established network operators to conduct fair negotiations with 1&1. If 1&1 has not been granted the use of low-band spectrum by 1 January 2026, the Federal Network Agency reserves the right to enforce such use.

Apart from the above, there were no other significant events subsequent to the end of the reporting period on December 31, 2024 which had a material effect on the financial position and performance or the accounting and reporting of the parent company or the Group. Information on the economic position of the Group and Company at the time of preparing this Management Report are provided in chapter 4.3 “Forecast report”.

4. RISK, OPPORTUNITY AND FORECAST REPORT

The risk and opportunity policy of the United Internet Group is based on the objective of maintaining and sustainably enhancing the Company's values by utilizing opportunities while at the same time recognizing and managing risks from an early stage in their development. A risk and opportunity management system which is "lived" ensures that the United Internet Group ("United Internet") can exercise its business activities in a controlled company environment. The risk and opportunity management system regulates the responsible handling of those uncertainties which are always involved with economic activity.

4.1 Risk report

Risk management

The concept, organization, and task of United Internet's risk management system are defined by the Management Board and Supervisory Board of United Internet AG, and documented in a risk management strategy and risk management manual which is valid for and available to all members of the Group. These requirements are regularly adapted to changing legal conditions and continuously developed. Corporate Risk Management coordinates the implementation and ongoing development of the risk management system and is responsible for the centrally managed risk management process on behalf of the Management Board. The risk management system covers only the Group's risks, while responsibility for the early and ongoing identification, evaluation, and management of opportunities lies directly with the Group Management Board and the operating management levels of the respective segments.

Corporate Risk Management is supported by the risk management teams of the respective segments (Company Risk Management). In order to support Company Risk Management, additional local risk managers have been installed in business fields of particular importance for the Company's business success (such as the areas "Technology & Development"). In order to facilitate the Group-wide exchange and comparison of risk information, regular Risk Manager Meetings are held between the various risk managers and also with the Company-wide, cross-functional managers.

The Corporate Audit department regularly examines the functioning and efficiency of the risk management system. As part of his statutory auditing obligations for the Annual Financial Statements and Consolidated Financial Statements, the external auditor also examines whether the risk early recognition system is generally suitable for the early identification of risks and developments which might endanger the Company so that suitable countermeasures can be swiftly introduced. The system complies with statutory requirements regarding risk early recognition systems, as well as with the version of the German Corporate Governance Code valid at the time of the last Declaration of Conformity of United Internet AG. Its design is based on the specifications of the ISO standard 31000:2018. In accordance with the regulations of the German Stock Corporation Act, the Supervisory Board monitors the efficacy of the risk management system (RMS). The RMS is regularly subjected to external audits. The current audit was started in 2024 and will be completed in the first quarter of 2025.

Methods and objectives of risk management

The risk management system comprises those measures which enable United Internet to identify, classify in terms of money and scenario, steer, and monitor from an early stage all possible risks for the attainment of its corporate objectives with the aid of assessments and early warning systems. The aim of the Group-wide and IT-supported risk management system is to provide maximum transparency for management regarding the actual risk situation, its changes, and the available options for action so that a conscious decision can be taken to accept or avoid such risks. Risks endangering the Company must be avoided as a matter of principle. There is always an established indirect connection to central Group-wide risk management via the regular reporting channels throughout the Group and a direct connection for all major divisions. This ensures the completeness of registered risks in the risk management system.

The current status of the main risks is communicated to the Management Board and Supervisory Board four times per year.

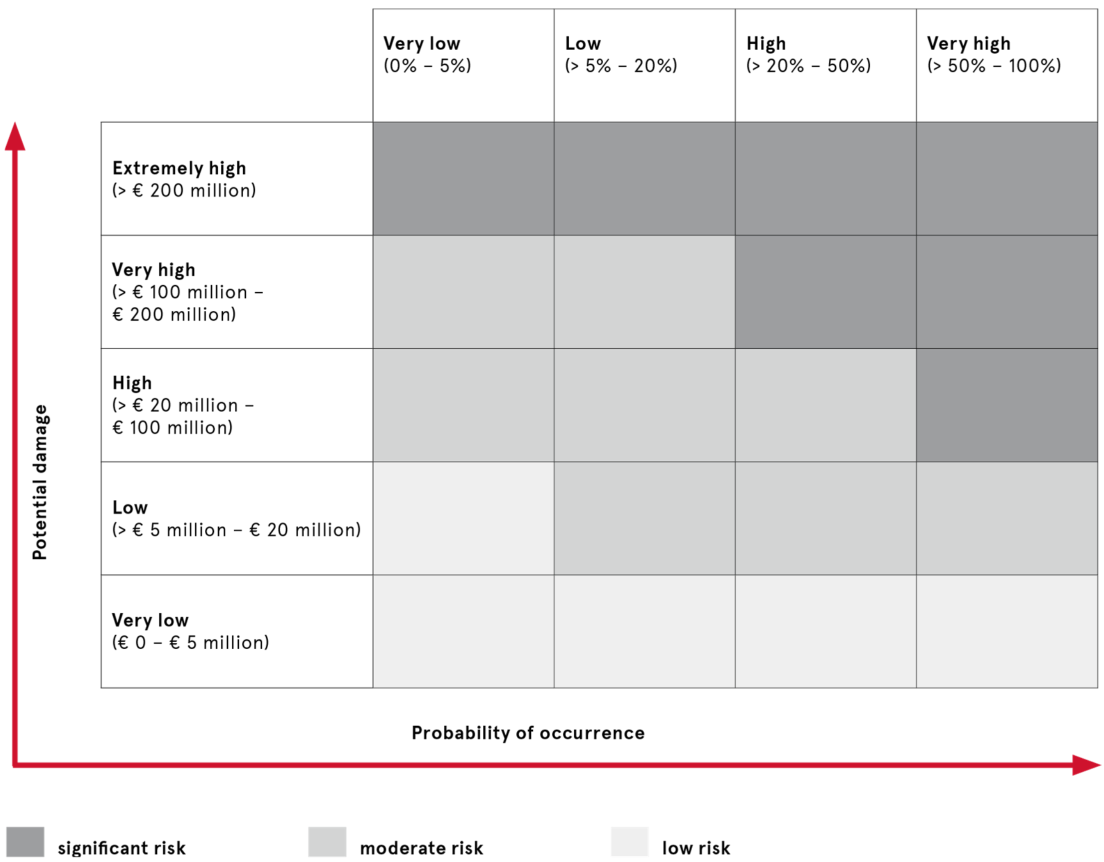
Identified significant risks with an immediate impact and changes in the risk situation trigger an ad-hoc reporting obligation. The respective risk is then communicated immediately to the CFO of United Internet AG, who in turn reports it to the Supervisory Board where necessary. In this way, significant risks can be addressed as quickly as possible.

Risks are assessed with their net impact, i.e., effects from mitigating measures are only considered in the risk assessment after their implementation.

Risks for the United Internet Group

The assessment of the overall risk situation is the result of a consolidated examination of all known material risks. Of the total risks identified for the Group, the following sections describe the main risk categories from the Company's point of view.

The starting point for assessing the materiality of risks is provided by the characteristics "probability of occurrence" in percent and "potential damage" in € million. The potential damage comprises all negative influences on earnings. Based on the combination of probability of occurrence and potential damage, the risks are assigned as follows to one of three risk categories: "Significant", "Moderate", and "Low" risks.



Specific assessments of the Company's Management Board regarding the Group's risk situation, as well as the probability of occurrence, potential damage, and resulting categorization of the risks described below are provided at the end of this Risk Report.

The risk categories were revised during the preparation of the Annual Financial Statements 2024 and divided into the three main categories "Strategic Market & Business Risks", "Operational Risks" and "Financial & Tax Risks". All risks were allocated to the new categories to ensure continued comparability with the previous year.

The following subcategories were renamed:

- "Legislation and regulation" to "Regulatory environment"
- "Information security" to "Cyber and information security"
- "Cooperation and outsourcing" to "Partner management"

The following subcategories were transferred:

- "Personnel recruitment", "Capacity bottlenecks", and "Personnel development and retention" to "Employees"
- "Liquidity/Financing" and "Financial market" to "Financial and liquidity risks"

The subcategories "Organizational structure and decision-making", "Projects", and "Misconduct and irregularities" have been discontinued as the material risks have been allocated to other categories.

Strategic Market & Business Risks

Sales market and competition
The markets in which United Internet operates are characterized by strong and sustained competition. Depending on the strategy of the parties involved in the market, different effects may occur which may lead also involve adjustments to the Company's own business models or pricing policy. The entry of new competitors might also jeopardize market shares, growth targets, or margins. In addition, United Internet itself occasionally enters new markets with large competitors. Such an entrepreneurial decision is always associated with new risks.

United Internet attempts to minimize these risks by means of detailed planning based on internal experience and external market studies, as well as by constantly monitoring the market and the competition.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as moderate.

Procurement market
A gap in the procurement or delivery of resources required for business operations may also lead to bottlenecks or outages at United Internet. This applies both to the purchase of hardware and the purchase of wholesale services. Increases in the price of purchased products and services represent a risk for the targeted margins. Planned positive effects from contractually fixed price adjustment rounds can become a risk for the achievement of the Company's periodic targets due to time delays.

United Internet counters these risks by cooperating with several long-term service providers and suppliers, contractual obligations, and – where it makes economic sense – by expanding its own value chain. Although significant and unforeseeable developments on the procurement market as a result of events such as the Ukraine war cannot be fully offset, they can be countered by taking preventive measures such as rapidly restocking inventories.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as moderate.

Shareholdings & investments
The acquisition and holding of shares in other companies and the making of strategic investments represent a key success factor for United Internet AG. In addition to improved access to existing and new growth markets, as well as to new technologies and know-how, investments also serve to exploit synergy and growth potential. However, these opportunities involve risks. For example, there is a risk that the targeted potential cannot be exploited as forecast or that acquired shareholdings will not develop as expected (non-scheduled write-downs/impairments, disposal losses, absence of dividend, or reduction of hidden reserves).

All investments are therefore subject to a continuous monitoring process by the Investment Management and are supported promptly if required. This risk is largely without relevance for EBITDA as, in the event of an incident, predominantly non-cash-effective impairments are incurred. The value of investments is continuously monitored by management and the Controlling division.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as moderate.

Business development & innovations
A further important success factor for United Internet is the development of new and constantly improved products and services in order to enhance sales and earnings, attract new customers, and expand existing customer relationships. There is always a risk, however, that new developments might be launched too late on the market or not be accepted by the target group as expected.

United Internet counters such risks by constantly and closely observing market, product, and competition trends, as well as by undertaking product development which constantly responds to customer feedback.

As part of its efforts to diversify the business model or expand its value chain, United Internet occasionally enters new markets, or upstream and downstream markets. For example, the management board of 1&1 AG, a subsidiary of United Internet AG, decided with the approval of its supervisory board to establish and operate a high-performance 5G mobile network on the basis of the spectrum in the 2 GHz and 3.6 GHz bands it acquired in 2019. By establishing and operating its own network, the Company plans to further expand its value added in mobile communications, to tap new business fields, and to reduce its dependence on procuring wholesale services from other network operators.

1&1 has enlisted in particular the services of the Japanese technology group and acclaimed OpenRAN expert Rakuten as general contractor for the rollout of its mobile communications network. Together with Rakuten, 1&1 is building a fully virtualized mobile network based on the innovative OpenRAN technology. The use of OpenRAN technology will reduce 1&1's dependence on network equipment suppliers. There are risks that the network rollout will not progress at the expected speed. Supply problems for the necessary hardware or delays in the search for sites are potential risks.

In selecting partners for the rollout of its network, 1&1 placed great importance on minimizing such risks. The general contractor and partner for active network technology Rakuten, for example, was the world's first and only network equipment supplier to establish a mobile communications network on the basis of the new OpenRAN technology in Japan. As a result, 1&1 can benefit from the experience and learning curve Rakuten gained during this time. The partners for passive technology are established and leading companies in Europe for radio tower infrastructure, enabling 1&1 to benefit from their existing infrastructure.

Nevertheless, initial delays in the construction of antenna locations already occurred in 2022 and 2023. These delays were due to supply problems of advance service providers. Delays in network rollout may mean that more advance services have to be procured externally than planned in the period up to completion of the mobile network rollout, which would have a negative impact on value added and profitability. In order to counter this risk appropriately, 1&1 entered into further partnerships for the acquisition of antenna locations and for its own construction of antenna locations.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as low.

Acts of God

External events such as natural disasters (earthquakes, floods, tsunamis, etc.), personnel crises (pandemics, strikes, etc.), infrastructure crises (power outages, road damage, etc.), or violent incidents (rampage, terrorist attacks, war, etc.) may affect United Internet's operations.

United Internet counters these risks as far as possible with a variety of measures. Examples include the establishment of building access restrictions, the operation of georedundant data centers, or hygiene precautions, location-independent workplaces, the use of modern communication media to avoid travel, and the elaboration of emergency concepts.

The latter has become more important as a result of the growing geopolitical tensions. The United Internet Group has taken this as an opportunity to revise its existing security measures and concepts and, if necessary, to adapt them to the higher threat levels.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as moderate.

Regulatory environment

Changes in existing legislation, the enactment of new laws, and changes in government regulation issues may have unexpected negative effects on the business models pursued by United Internet and their further development. The decisions of the Federal Network Agency and the Federal Cartel Office have an influence on network access and the pricing of internet access tariffs. As United Internet purchases advance services for its own customers, regulatory changes may have a negative impact on the profitability of its own tariffs. In the same way, there is also the possibility that a lack of regulation may lead to a deterioration of market circumstances for United Internet.

1&1's frequency acquisition in 2019 was tied to the fulfillment of certain regulatory requirements. Among other things, 1&1 was obliged to put 1,000 5G base stations into operation by the end of 2022, distributed proportionately across Germany's federal states. Due to delivery difficulties of the upstream providers commissioned by 1&1 to provide the antenna locations, 1&1 had fallen well short of this target by the end of 2022. Compliance with the frequency requirements is closely monitored by the Federal Network Agency. Non-compliance may result in a fine and, in the worst case, the revocation of frequency usage rights. As a result of the failure to meet the rollout target by the end of 2022, the Federal Network Agency has threatened to impose a fine on 1&1. Following the ruling by the Cologne Administrative Court, which declared the frequency procedure unlawful, the Federal Network Agency has announced that it will suspend the fine proceedings until further notice.

In connection with the construction of a high-performance 5G mobile network, 1&1 is dependent on the allocation of relevant frequencies by the Federal Network Agency. Low-band frequencies are expected to be reallocated in 2026. There is a risk that 1&1 will not be included in the allocation of these frequencies and that instead the frequency allocation to the established network operators will be prolonged. In this case, 1&1 would be forced to purchase a higher volume of advance services, which would have a negative impact on its value creation. Due to their physical properties, low-band frequencies have a greater range and better penetration capacity than high-band frequencies and thus enable cost-effective coverage in rural areas with mobile phone masts located far apart from each other while also ensuring good reception inside buildings. Without access to these low-band frequencies with a greater range, the risk of failing to meet the Federal Network Agency's expansion obligations by the end of 2025 would also increase considerably.

United Internet attempts to counter this tendency toward an increasing regulation risk by cooperating with various pre-service providers and by actively participating in the activities of industry associations.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as significant.

Operational Risks

Work processes
In view of the ever-increasing complexity and interoperability of the products offered, there are steadily growing demands placed on the development of internal work processes. This also involves an ever-higher degree of coordination The particular challenge is to ensure quality standards especially in view of fast-changing market events – and on numerous differing domestic and foreign markets.

The Company counters these risks by continuously developing and enhancing its internal processes, pooling and retaining its experts and key personnel, and continuously optimizing its organizational structures.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as moderate.

Fraud & credit default
In order to meet the requirements of dynamic customer growth and provide services as quickly as possible in the interests of its customers, United Internet has largely automated its order and provision processes – as have many other companies in such mass market businesses. The nature of such automated processes provides possibilities for attacks from fraudsters. Due to the strong appeal of the products and services offered, not only the number of customers is increasing but also the risk of an increase in the number of non-payers and fraudsters, as well as the possible unauthorized access to customer accounts.

United Internet attempts to prevent such fraud attacks – or at least to recognize and end them at an early stage – by permanently expanding its fraud management capabilities, working closely with pre-service providers, and taking account of such risks in the design of its products.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as moderate.

Cyber & information security

United Internet generates its commercial success largely in the telecommunications market and within the environment of the internet. In order to provide products and services, the Company uses information and telecommunication technologies (data centers, transmission systems, connection nodes, etc.) in its business processes which are closely networked with the internet and whose availability may be endangered by threats from the internet.

In order to continue to deal with such risks quickly, the existing monitoring, building access, and alarm system, together with the necessary processes and documentation, is continuously optimized.

There is also the risk of hacker attacks with the aim of stealing or deleting customer data, or using services fraudulently. In the fiscal year 2024, an increasing professionalization of the attackers and their attack methods was observed once again. According to the German Federal Office for Information Security (BSI), the number of new malicious program variants detected daily reached an average of 309,000 in the period July 1, 2023 to June 30, 2024. This corresponds to a year-on-year increase of 26%.

United Internet counters this risk with the aid of virus scanners, firewalling concepts, self-initiated tests, and various technical monitoring mechanisms.

The threat potential of the internet is one of the largest threat groups for United Internet with regard to its effects, which are all monitored and reduced by numerous technical and organizational measures. Of particular relevance in this respect are the operation and continuous improvement of the security management system and the steady enhancement of system resilience.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as significant.

Data privacy

It can never be fully ruled out that data privacy regulations may be contravened, e.g., by human error or technical weaknesses. In such cases, United Internet faces fines and the loss of customer confidence.

United Internet stores the data of its customers on servers according to international security standards at its own and at rented data centers. The handling of these data is subject to extensive legal regulations.

The Company is aware of this great responsibility and attaches a high degree of importance and care to data privacy. By using state-of-the-art technologies, continuously monitoring all data-privacy and other legal regulations, providing extensive staff training, and involving data protection aspects and requirements as early as possible in product development, United Internet continuously invests in improving the standard of its data privacy.

Failure to comply with EU-GDPR can result in heavy fines. The impact of data protection risks is therefore high. Moreover, further risks in this risk area were identified in the fiscal year 2024.

Compared to the previous year, the risk assessment has increased from moderate to significant.

Employees
It is essential for United Internet that human resources are effectively controlled so that the Company can ensure its short- and long-term needs for staff and the requisite expertise. If it is unable to attract managers and employees with specialist and technological knowledge, United Internet would not be able to effectively conduct its business and achieve its growth targets.

Highly skilled and well trained employees form the basis for the economic success of United Internet. In addition to the successful recruitment of qualified personnel, personnel development and the long-term retention of top performers within the Company are strategically important. If the Company fails to develop and retain executives and employees with specialist or technological knowledge, there is the danger that United Internet may not be able to effectively conduct its business and achieve its growth targets. The concentrated accumulation of strategic knowledge and skills (so-called head monopoly) can have a considerable impact on the performance of the Company if the corresponding employee is no longer available.

United Internet counteracts this risk by continuously nurturing employee and management skills. For example, it offers targeted measures for professional development, mentoring and coaching programs, as well as special offers for high potentials geared to talent development and retention and leadership skills.

In recent years, the shortage of skilled workers has become an increasingly important issue. As an attractive employer, however, United Internet believes it is well placed to hire highly skilled specialists and managers with the potential to drive its business success in the future. This was confirmed in the past years by the Top Employers Institute, which awarded United Internet the accolade "Top Employer 2024".

Compared to the previous year, the risk assessment has increased from moderate to significant.

Partner management
Some operating divisions of United Internet work together with specialized cooperation and outsourcing partners in certain areas of the Company. The focus here is on objectives such as focusing on the actual core business, reducing costs, or leveraging the expertise of partners. These opportunities also involve risks in the form of dependencies on external service providers, as well as contractual and default risks.

In order to reduce these risks, detailed market analyses and due diligence reviews are carried out before major contracts are concluded with external service providers, and close and cooperative relationships are maintained with the cooperation and outsourcing partners after the contracts have been concluded.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as moderate.

Litigation
United Internet is currently involved in various legal disputes and arbitration proceedings arising from its normal business activities. The outcome is by definition uncertain and thus represents a risk. Insofar as the prospects of success are negative in specific cases and the size of the obligation can be reliably estimated, accruals are formed for such risks from litigation.

In 2019, an advance service provider filed claims against 1&1 in the low three-digit million range (for the purposes of internal classification, amounts of up to € 333 million are defined as being in the low three-digit million range, and the claims filed do not exceed this amount in total). 1&1 considers the claims of the respective counterparty to be unfounded and regards an outflow of resources as unlikely.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as significant.

Technical plant operation

United Internet’s products and related business processes are based on a complex technical infrastructure and a number of success-critical software systems (servers, customer relationship databases, and statistics systems, etc.). Constantly adapting this infrastructure to changing customer needs leads to greater complexity and regular changes. In addition to major events, like the migration of databases, this may lead to various disruptions or defects. Should this affect our business systems or their databases, for example, daily account debiting may be delayed or no longer possible. Should this affect our performance systems, for example, United Internet may not be able to provide its customers with the promised service, on a temporary or longer-term basis.

The Company meets these risks by making targeted adjustments to the architecture, introducing quality assurance measures, and establishing spatially separated (geo-redundant) core functionalities.

For the operation of systems, there is a risk of targeted attacks from inside and outside the Company, e.g., from hackers or manipulation by staff with access rights, which may result in non-availability or a deterioration of services.

In order to counter this risk, the Company takes a wide variety of software- and hardware-based safety precautions to protect the infrastructure and its availability. By dividing responsibilities, the Company has made sure that activities or business transactions involving risks are not carried out by single employees but on the basis of the “double-check principle”. Manual and technical access restrictions also ensure that employees may only operate within their particular area of responsibility. As an additional precautionary measure against data loss, all data are regularly backed up and stored in separate, i.e., geo-redundant, data centers.

At the end of May 2024, 1&1 faced a temporary outage of its mobile network. In the course of troubleshooting, it became clear that central components of the core network were undersized. As a result, 1&1 ramped down the migration of existing customers to the 1&1 mobile network as a precautionary measure. Measures were immediately taken and missing components for future growth were retrofitted at the first two core data centers in summer 2024. At the same time, two further core data centers were delayed and did not go live until the fourth quarter of 2024. Only then was the large-scale migration of existing customer contracts to the 1&1 mobile network resumed.

The specific causes of the disruption have been eliminated and major outages have since been prevented. However, due to the high technical complexity of the mobile network structure, future disruptions cannot be ruled out with certainty.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as significant.

Financial & Tax Risks

Financial & liquidity risks

The main financial liabilities incurred by United Internet AG for the financing of its activities include bank loans, overdraft facilities, and other financial liabilities. Some of the bank loans are subject to financial covenants. Non-compliance with these covenants can have a negative impact on the financing of the United Internet Group. In extreme cases, a loan might be terminated. As of the balance sheet date, the Company almost exclusively held primary financial instruments. The aim of financial risk management is to limit risks through ongoing operating and financial activities.

The general liquidity risk of United Internet AG consists of the possibility that the Company may not be able to meet its financial obligations, such as the redemption of financial debts. The Company's objective is to continuously cover its financial needs and secure flexibility, for example by using overdraft facilities and loans. Group-wide cash requirements and surpluses are managed centrally by the cash management system. By netting these cash requirements and surpluses within the Group, the amount of external bank transactions can be minimized. This is managed, e.g., by using cash pooling processes. The Company has established standardized processes and systems to manage its bank accounts and internal netting accounts, as well as for the execution of automated payment transactions. In addition to operating liquidity, United Internet AG also holds other liquidity reserves, which are available at short notice.

The Company is exposed to interest risks as the major share of its borrowing bears variable interest rates with varying terms. As part of its liquidity planning, the Company constantly monitors the various investment possibilities and debt conditions. Any borrowing requirements are met by using suitable instruments to manage liquidity. Surplus cash is invested on the money market to achieve the best possible return. Due to developments on the global finance markets, i.e., adjustments to central bank interest rates around the world, there was a slight increase in the interest rate risk, but at the same time opportunities from more attractive investment options. Market interest rate changes might have an adverse effect on the interest result and are included in our calculation of sensitive factors affecting earnings. In order to present market risks, United Internet has developed a sensitivity analysis which shows the impact of hypothetical changes to relevant risk variables on pre-tax earnings. The reporting period effects are illustrated by applying these hypothetical changes in risk variables to the stock of financial instruments as of the balance sheet date. The Company regularly reviews the possibility of interest rate hedging in order to mitigate the negative effects of rising interest rates.

The currency risk predominantly results from operations (if revenue and/or expenses are in a currency other than the Group's functional currency) and its net investments in foreign subsidiaries.

Compared to the previous year, the risk assessment is unchanged and continues to be categorized as moderate.

Tax risks

As an internationally operating company, United Internet is subject to the tax laws applicable in the respective countries. Risks may arise from changes in tax laws and double taxation agreements, or case law, as well as from differences in the interpretation of existing regulations. Compared to December 31, 2023, there has been an increase in this risk field. This is due to the substantiation of a VAT risk following the publication of an administrative opinion by the Federal Ministry of Finance.

United Internet counters these risks by continuously expanding its existing tax management system.

Compared to the previous year, the risk assessment has increased from moderate to significant.

Additional disclosures on risks, financial instruments, and financial risk management

Further details on risks, financial instruments, and financial risk management are provided in note 43 "Objectives and methods of financial risk management" in the Notes to the Consolidated Financial Statements.

Additional disclosures on sustainability risks

Information on sustainability risks can be found in the Sustainability Report 2024, which will be published at the end of March 2025 (at https://www.united-internet.de/investor-relations/publikationen/berichte.html).

Management Board's overall assessment of the Group's risk position

The assessment of the overall level of risk is based on a consolidated view of all significant risk fields and individual risks, also taking account of their interdependencies.

- From the current perspective, the main challenges comprise the topic areas "Litigation", "Regulatory environment", "Cyber and information security", "Tax risks", and "Data privacy".
- The risk assessment of the risk field "Data privacy" rose from Low to Significant. The background is the addition of new risks.
- The risk assessment of the risk field "Employees" rose from Moderate to Significant. The background is the addition of new risks with high potential damage. In addition, an evaluation conducted due to the new risk categories resulted in the transfer of a risk from "Cyber and information security" to "Employees".
- The risk assessment of the risk field "Tax risks" rose from Moderate to Significant. The background is the increase in the probability of occurrence.
- Otherwise, the risk classifications of the risk fields of United Internet AG as at December 31, 2024 were unchanged from December 31, 2023.

The continuous expansion of its risk management system enables United Internet AG to limit risks to a minimum, where economically sensible, by implementing specific measures.

In two of the three risk areas ("operational risks" and "financial and tax risks"), the overall risk situation for United Internet has increased slightly compared to the previous year.

In the assessment of the overall risk situation, the existing opportunities for United Internet AG were not taken into consideration. There were no risks which directly jeopardized the continued existence of United Internet AG in the fiscal year 2024, nor as of the preparation date for this Management Report, neither from individual risk positions nor from the overall risk situation.

Probability of occurrence, potential damage, and the classification of risks from the Group's perspective and their relevance for the various segments/divisions:

	Main segment relevance	Probability of occurrence	Potential damage	Risk classification	Change over previous year
Risks in the "Strategic Market & Business Risks" field					
Sales market & competition	Business Applications	Low	High	Moderate	Unchanged
Procurement market	Business Access	Low	High	Moderate	Unchanged
Shareholdings & investments	Holding / Corporate	Low	Low	Moderate	Unchanged
Business development & innovations	Business Applications	Low	Very low	Low	Unchanged
Acts of God	Business Access Business Applications	Very low	High	Moderate	Unchanged
Regulatory environment	Consumer Access	Low	Extremely high	Significant	Unchanged
Risks in the field of "operational risks"					
Work processes	Business Applications	Low	High	Moderate	Unchanged
Fraud & credit default	Business Applications	High	Low	Moderate	Unchanged
Cyber and information security	Business Applications	Very low	Extremely high	Significant	Unchanged
Data privacy	Consumer Access Business Applications	Low	Extremely high	Significant	Deteriorated
Employees	Business Applications	Very low	Extremely high	Significant	Deteriorated
Partner management	Consumer Access	High	Low	Moderate	Unchanged
Litigation	Consumer Access	Low	Extremely high	Significant	Unchanged
Technical plant operation	Consumer Access Business Applications	Low	Extremely high	Significant	Unchanged
Risks in the field of "financial and tax risks"					
Financial and liquidity risks	Business Applications	Low	High	Moderate	Unchanged
Tax risks	Consumer Access Business Applications	Very high	High	Significant	Deteriorated

Society, politics and the economy are currently facing complex macroeconomic challenges resulting from a combination of high interest rates, subdued growth expectations, a tense financing framework, falling trade growth and declining confidence among companies and consumers.

In addition to the destabilizing effects of the wars in Ukraine and the Middle East, the political changes brought about by the new US administration are leading to increased uncertainty regarding the economic future. The United Internet Group is responding to this by actively accepting the current challenges and integrating them into its business decisions, in particular by developing strategies to minimize risk, such as diversified procurement strategies to ensure a secure and fair energy supply.

Although the United Internet Group has no business activities in the countries involved in the wars, it is still confronted with the indirect effects. In view of the precarious security situation caused by the war in the Middle East and the war in Ukraine, United Internet has developed proactive risk management and mitigation strategies:

- Cybersecurity risks: due to the increased cybersecurity threats associated with the wars in the Middle East and Ukraine, the Company is stepping up its investment in cybersecurity measures. These include the use of advanced monitoring technologies, conducting regular security audits and training employees to improve their resistance to cyberattacks.

The Management Board and the operational managers will closely monitor further developments and initiate any appropriate countermeasures (if possible).

4.2 Opportunity report

Opportunity management

Opportunity management is based on strategic planning and the resulting measures for the development of products and their positioning for various target groups, markets, and countries during the product life cycle.

The Group Management Board, as well as the operative management level of the respective business segments, have the direct responsibility for the early and continuous identification, assessment, and steering of opportunities.

The management team of United Internet AG makes extensive use of detailed evaluations, models, and scenarios on current and future trends regarding sectors, technologies, products, markets/market potential, and competitors in the Group's fields of activity. The potential opportunities identified during these strategic analyses are then examined with regard to the critical success factors and existing external conditions and possibilities of United Internet AG in planning discussions between the Management Board, Supervisory Board, and operational managers before being implemented in the form of specific measures, targets, and milestones.

The progress and success of these measures is continuously monitored by operational management, as well as the managing directors and management board members of the respective companies.

Opportunities for United Internet

United Internet's stable and largely non-cyclical business model ensures predictable revenues and cash flows, thus providing the financial flexibility to grasp opportunities in new business fields and markets – organically or via investments and acquisitions.

Broad strategic positioning in growth markets

In view of its broad positioning in current growth markets, the Company's purely strategic growth opportunities are clearly apparent: universally accessible, permanently available, and increasingly powerful broadband connections are enabling new and more sophisticated cloud applications. From the current perspective, these internet-based programs for home users, freelancers, and small companies are likely to be United Internet's growth drivers over the coming years – both as stand-alone products in the Consumer Applications and Business Applications segments, as well as in combination with landline and mobile access products in our Consumer Access segment.

Participation in market growth

Despite the uncertain macroeconomic conditions, United Internet – as well as many of the sector's leading analysts – expects further progress in those markets of importance to the Company. United Internet is one of the leading players in these markets – at home and abroad. With its highly competitive Access products, its growing portfolio of cloud applications, its strong and specialized brands, its high sales strength, and already established business relationships with millions of private and business customers (cross-selling and up-selling potential), United Internet is also well positioned to participate in the expected market growth of both its business divisions.

Expansion of market positions

United Internet AG is now one of the leaders in many of its business fields. Based on its existing technological know-how, its high level of product and service quality, the widespread popularity of Group brands such as 1&1, GMX or WEB.DE, its business relationships with millions of private and business customers, and its high customer retention ratio, United Internet sees good opportunities to build on its current market shares.

Entry into new business fields

One of United Internet's core competencies is to recognize customer wishes, trends, and thus new markets at an early stage. With its broadly based value chain (from product development and data center operation, to effective marketing, powerful sales organization, and active customer support), United Internet is often faster at placing innovations on the market and – thanks to the high level of cash generation in its existing business fields – capable of providing them with strong marketing support.

Use of artificial intelligence (AI)

The potential of AI applications is immense, particularly in the IT sector. United Internet uses AI to optimize processes and increase efficiency, for example by automating routine tasks in software development, customer service and marketing as well as for the analysis of large data volumes.

However, there are also many opportunities at product level for companies such as United Internet to use AI to optimize existing products for their customers or to develop new products in the field of AI in order to acquire new customers and increase customer loyalty. For example, IONOS helps its customers build their websites with the aid of an AI website generator. This enables customers to independently generate website suggestions in a matter of seconds based on just a few details (such as sector and relevant keywords) – AI takes care of the design, images, texts, and search engine optimization.

Extending vertical integration: own landline infrastructure

Since its acquisition of 1&1 Versatel (2014), United Internet operates its own telecommunications network, which is being constantly expanded. With a current length of over 66,000 km, it is one of Germany's largest fiber-optic networks. This network infrastructure gives United Internet the opportunity to extend its vertical integration and also gradually reduce its purchases of wholesale broadband services for the B2C segment.

In addition, having its own network also offers United Internet the opportunity to systematically expand its B2B data and infrastructure business with SMEs and large corporations. The scale of this opportunity is underlined by the considerable pent-up demand for direct fiber-optic connections in Germany. According to the latest survey of the OECD (Organization for Economic Co-operation and Development) in December 2023, only 11.2% (end of 2022: 9.2%) of all broadband connections in Germany are fiber-optic connections. Germany therefore still lags well behind in 36th place among the 38 OECD countries surveyed, and is well below the leaders Korea (89.6%), Iceland (88.7%) and Spain (85.8%) as well as significantly below the OECD average of 42.5% (end of 2022: 37.7%).

Extending vertical integration: rollout of own mobile communications network

With the launch of mobile services in 1&1's mobile network in December 2023, United Internet's subsidiary 1&1 established the key prerequisites for extending its vertical integration in this market segment – as in the landline segment. 1&1 has since been increasingly producing advance services for new customers in its own network. Wherever 1&1 does not yet have sufficient mobile coverage during the years of network expansion, it uses national roaming. The national roaming partnership with Vodafone started in late August 2024. National roaming via Vodafone will be available for all 1&1 mobile customers until the end of 2025. At the same time, national roaming services previously procured from Telefónica will be completely phased out. National roaming is a standard procedure used in the rollout of new mobile networks that enables customers to surf and make calls without interruption in areas not yet covered. This is achieved by automatically using the roaming partner's antennas in these areas.

Until the launch of mobile services on its own network, 1&1 had extensive access to Telefónica's mobile network in Germany (as a so-called MBA MVNO) and also used capacities from other advance service providers such as Vodafone. As of the beginning of 2024, 1&1's existing customers on these third-party networks are being gradually migrated to the 1&1 mobile network in order to increasingly replace the purchase of advance services from third parties and instead use internally produced advance services.

High degree of vertical integration for applications

In its Applications segment, United Internet covers the entire value creation chain. Applications are developed at the Company's own "Internet Factories" or in cooperation with partner firms and operated on over 100,000 servers at the Company's 9 own data centers and 22 co-locations. This enables United Internet to maintain high quality standards and to respond quickly to customer needs and changing market situations in order to win new customers and retain existing ones.

Internationalization

Cloud applications can be used anywhere in the world and work on the same principle in Frankfurt as they do in London, Rome, or New York. In the past, United Internet has already successfully adapted cloud products many times to various languages and country-specific features and gradually rolled them out in different nations.

Thanks to the high degree of exportability which these products offer, United Internet is already active in its Applications segment in numerous European countries (Germany, France, the UK, Italy, Spain, Portugal, the Netherlands, Austria, Poland, Hungary, Romania, Bulgaria, the Czech Republic, Slovakia and Sweden), as well as in North America (USA, Canada, and Mexico). Further countries and product rollouts will gradually follow.

Acquisitions and investments

In addition to organic growth, United Internet also constantly examines the possibility of company acquisitions and strategic investments. Thanks to its high and plannable level of free cash flow, United

Internet also has a strong source of internal funding and good access to the capital and debt financing markets in order to utilize opportunities in the form of acquisitions and investments.

United Internet has enhanced its market standing in Germany and abroad, for example, by making several acquisitions and strategic investments while gaining considerable expertise in the field of mergers and acquisitions (M&A) and company integration. The most important M&A activities of the past include the acquisition of WEB.DE's portal business (in 2005), the acquisitions of Fasthosts (2006) and united-domains (2008), the acquisition of freenet's broadband business (2009), and the acquisitions of mail.com (2010), Arsys (2013), Versatel (2014; now 1&1 Versatel), home.pl (2015), STRATO (2017), ProfitBricks (2017; now IONOS Cloud), Drillisch (2017; now 1&1), World4You (2018), and we22 (2021). The most important strategic investments include the investments in Open-Xchange (2013), uberall (2014), rankingCoach (2017), AWIN (2017; via the contribution of affilinet), and Stackable (2021).

Management Board's overall assessment of the Group's opportunity position

In view of its broad positioning in current growth markets, the Company's growth opportunities are clearly apparent: universally accessible, permanently available, and increasingly powerful broadband connections are enabling new and more sophisticated cloud applications. From the current perspective, these internet-based programs for home users, freelancers, and small companies are likely to be United Internet's growth drivers over the coming years – both as stand-alone products in the Consumer Applications and Business Applications segments, as well as in combination with landline and mobile access products in the Consumer Access segment. Based predominantly on electronic subscriptions with fixed monthly amounts and contractually agreed terms, United Internet's business model ensures stable and plannable revenue and cash flows. Against this backdrop, the Company's Management Board is convinced that it will continue to be in a position to deal successfully with challenges and seize opportunities.

4.3 Forecast report

Expectations for the economy

In its global economic outlook published on January 17, 2025, the International Monetary Fund (IMF) updated its forecasts for the development of the global economies in 2025 and 2026.

With regard to the **global economy** as a whole, the IMF has upgraded its forecast. It now expects global economic growth of 3.3% in 2025, which is 0.1 percentage point higher than in its fall outlook. It also expects 3.3% for 2026.

According to the IMF, the risks that could affect this outlook include geopolitical conflicts such as those in Ukraine and the Middle East, as well as the political uncertainty resulting from Donald Trump's return to the US presidency. The IMF has not yet incorporated Trump's policy proposals into its forecasts.

In particular, the outlook for the **USA** improved significantly by 0.5 percentage points to 2.7% for 2025. By contrast, the IMF's experts paint a very different picture for **Germany**, United Internet's most important target market. After two years of recession in 2023 and 2024, the German economy is expected to grow by only 0.3% in 2025. The previous IMF estimate (fall outlook) was thus downgraded by 0.5 percentage points. According to the IMF, Germany will once again record the weakest growth of the leading western G7 industrialized nations in the current year. The reasons cited are weak industrial output and high energy prices, which are hampering the country's economic recovery.

Germany will therefore continue to lag behind its European neighbors in 2025. Growth will be significantly stronger in **Spain** (2.3%), but the **UK** (1.6%), **France** (0.8%) and **Italy** (0.7%) are also set to outpace Germany.

Market forecast: GDP development of most important economies for United Internet

	2026e	2025e	2024
World	3.3%	3.3%	3.2%
USA	2.1%	2.7%	2.8%
Canada	2.0%	2.0%	1.3%
Mexico	2.0%	1.4%	1.8%
France	1.1%	0.8%	1.1%
Spain	1.8%	2.3%	3.1%
Italy	0.9%	0.7%	0.6%
Poland	3.3%	3.5%	2.8%
UK	1.5%	1.6%	0.9%
Germany	1.1%	0.3%	-0.2%

Source: International Monetary Fund, World Economic Outlook (Update), January 2025

The IMF's growth forecast for Germany in 2025 is in line with the German government's own projection. On publication of its Annual Economic Report 2025 on January 29, 2025, the government also forecast price-adjusted GDP growth of just 0.3%. In the fall of 2024, the government was still expecting GDP to grow by 1.1%.

Germany's Minister for Economic Affairs, Robert Habeck, cited the "high level of uncertainty" caused by US economic and trade policy under Donald Trump and the political situation in Germany as the main reasons for the downgraded outlook. He also pointed to measures in the growth initiative of the coalition government, which will now largely remain unimplemented due to the collapse of the coalition.

Habeck identified the lack of both unskilled and skilled labor, excessive bureaucracy and sluggish investment as the most pressing issues.

Sector/market expectations

Despite the challenges posed by these adverse economic conditions, further growth is still expected for Germany's digital economy. The digital association Bitkom, for example, expects the **German IT and telecommunications (ICT)** market to grow by 4.6% to € 232.8 billion in 2025. ICT sales in the previous year rose by 3.3% to € 222.6 billion.

Information technology continues to be the main growth driver. According to the latest Bitkom forecast, this market is set to grow by 5.9% (prior year: 4.4%) to € 158.5 billion in 2025.

Within this segment, software sales in particular are expected to grow strongly again, by 9.8% to € 51.1 billion. The ongoing boom in artificial intelligence (AI) is particularly evident here: sales of AI platforms – on which AI applications can be developed, trained, and operated – are expected to grow rapidly by 43% to € 2.3 billion. Collaboration tools for teamwork and remote working environments are also expected to grow strongly by 12% to € 1.4 billion. Moreover, security software is likely to grow by 11% to € 5.1 billion and double-digit growth is forecast for cloud services, which are expected to grow by 17% to € 20.0 billion.

Growth is also expected across almost all segments of the IT hardware market. According to projections, the hardware market as a whole is expected to grow by 3.3% to € 53.7 billion by 2025. The main growth driver is once again expected to be the Infrastructure-as-a-Service segment, i.e. rented servers, network and storage capacities, which is expected to grow by 24.4% to € 6.2 billion.

Bitkom forecasts that revenues from IT services as a whole will increase by 5.0% to € 53.8 billion in 2025.

The most important ICT markets for United Internet's business model are the German telecommunications market for its mostly subscription-financed Access division, and the global cloud computing and German online advertising markets for its subscription- and ad-financed Applications division.

Telecommunications market in Germany

The industry association Bitkom expects the German telecommunications market to grow in total by 1.8% (prior year: 1.0%) to € 74.3 billion in 2025. The strongest growth in this segment is expected to come from business with telecommunications infrastructure, which is expected to grow by 3.5% (prior year: -4.8%) to € 8.0 billion. Sales of end-user devices are likely to increase by 2.7% (prior year: 1.6%) to € 12.8 billion. And business with telecommunications services is also expected to grow by 1.4% (prior year: 1.8%) to € 53.5 billion.

Market forecast: telecommunications market in Germany

in € billion	2025e	2024	Change
Telecommunication revenues	74.3	73.0	+ 1.8%

Source: Bitkom, January 2025

Global cloud computing market

According to Gartner's calculations, the global public cloud services market is expected to grow by 21.5% (prior year: 19.2%) to USD 723.4 billion in 2025. The strongest growth is expected in the areas of cloud system infrastructure services (IaaS) at 24.8%, cloud application infrastructure services (PaaS) at 21.6%, and cloud application services (SaaS) at 19.2%.

Market forecast: global cloud computing

in $ billion	2025e	2024	Change
Global sales of public cloud services	723.42	595.65	+ 21.5%
thereof Application Infrastructure Services (PaaS)	208.64	171.57	+ 21.6%
thereof Application Services (SaaS)	299.07	250.80	+ 19.2%
thereof Desktop as a Service (DaaS)	3.85	3.47	+ 11.1%
thereof System Infrastructure Services (IaaS)	211.86	169.82	+ 24.8%

Source: Gartner Forecasts, Worldwide Public Cloud End-User Spending, November 2024

Online advertising market in Germany

After a 10.7% increase in online advertising in 2024, PricewaterhouseCoopers expects further growth in 2025 with an increase in total market volume (mobile advertising and desktop advertising) of 9.6% to € 20.7 billion.

Market forecast: total online advertising market in Germany (mobile advertising & desktop advertising) – acc. to PwC

in € billion	2025e	2024	Change
Online advertising revenues	20.74	18.93	+ 9.6%

Source: PricewaterhouseCoopers, German Entertainment and Media Outlook 2024 – 2028, September 2024

Expectations for the Company in 2025

Forecast for the fiscal year 2025

Adjusted for the "Energy" business field, United Internet expects the following development of sales and earnings for the Group in the fiscal year 2025:

- Sales 2025 (acc. to IFRS) are expected to rise to approx. €6.4 billion (2024: € 6.303 billion without "Energy" and "De-Mail").

- Operating EBITDA 2025 (acc. to IFRS) is expected to grow to approx. € 1.35 billion (2024: € 1.295 billion without "Energy" and "De-Mail"), including approx. € -20 million due to 1&1 changing its national roaming service provider. In the commercially equivalent national roaming agreement with Vodafone, the capacities used by 1&1 are fully recognized in EBITDA, whereas under the national roaming agreement with Telefónica they were previously capitalized in part and depreciated in scheduled amounts.

The Company will continue to invest heavily in 2025, especially in the expansion of its fiber-optic network and mobile communications network. Cash capex is expected to be approx. € 800 million (2024: € 774.6 million).

Due to its role as a holding company, the earnings of United Internet AG at **parent company level** are mainly influenced by its investment result (profit transfers and dividends) and the interest result. From the current perspective (subject to possible special items), the Management Board expects a balanced net income for the fiscal year 2025 (2024: € -365.3 million including non-scheduled special items).

United Internet AG intends to maintain its shareholder-friendly **dividend policy** based on continuity in the coming years. Dividend payouts will continue to represent approx. 20-40% of adjusted net income from continued operations after minority interests (adjusted net income attributable to "shareholders of United Internet AG" – according to the consolidated statement of comprehensive income) in the future. The prerequisite is that funds are not required for further Company development.

Management Board's overall statement on the anticipated development

The Management Board of United Internet AG is upbeat about its prospects for the future. Thanks to a business model based predominantly on electronic subscriptions, United Internet believes it is largely stable enough to withstand cyclical influences. And with the investments made over the past few years in customer relationships, new business fields and further internationalization, as well as via acquisitions and investments, the Company has broadened the foundations for further growth.

United Internet will continue to pursue this sustainable business policy in the coming years. In the fiscal year 2025, the segments will focus on the following topics:

- In addition to the rollout of the 1&1 mobile network, the Consumer Access segment will focus in particular on marketing mobile internet products and winning high-quality customer relationships.

- In the Business Access segment, the fiber-optic network is to be expanded further with the connection of new locations. In addition, the corporate customer business will continue to be developed.

- The key topics in the Consumer Applications segment will again be the further expansion of data-driven business models and a focus on fee-based premium products.

- The Business Applications segment will continue to focus on expanding business with existing customers and gaining new high-quality customer relationships. In addition, the segment will expand its cloud business in particular.

At the time of preparing this Management Report, the Company's Management Board believes that the Company is on track to reach the forecast presented above in the section "Forecast for the fiscal year 2025".

Forward-looking statements
This Management Report contains forward-looking statements based on current expectations, assumptions, and projections of the Management Board of United Internet AG and currently available information. These forward-looking statements are subject to various risks and uncertainties and are based upon expectations, assumptions, and projections that may not prove to be accurate. United Internet AG does not guarantee that these forward-looking statements will prove to be accurate and does not accept any obligation, nor have the intention, to adjust or update the forward-looking statements contained in this report.

5. INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT SYSTEM

The German Corporate Governance Code (the "Code") recommends disclosures on the internal control and risk management system. These go beyond the statutory requirements for the management report and are not included in the auditor's review of the content of the management report ("non-management report-related disclosures"). In chapter 5 "Internal control system and risk management system", they are thematically assigned to the main elements of the internal control and risk management system and are separated from the disclosures to be audited by separate paragraphs and marked accordingly as "unaudited".

Internal control system (unaudited)

The internal control system (ICS) of United Internet AG covers the entire organization and serves to maintain the functionality and efficiency of business processes, the reliability of operational information, the safeguarding of assets, and compliance with regulations. To this end, the controls carried out include adherence to planned processes, the "four-eye principle", and the separation of functions. The controls are defined on the basis of uniform categorizations for each process and are carried out both centrally in some cases and decentrally throughout the Group. Defined processes, which involve those responsible in the specialist areas as well as process experts, ensure that process and organizational risks are countered in a preventive manner. Together and in cooperation with Risk Management, all units of the Group assess if there are any organizational and process risks and whether these could have an impact on the ICS. The ICS is regularly enhanced, also with the involvement of experts. It is monitored by, among other things, Corporate Audit and external auditors. Corporate Audit evaluates and improves governance processes and risk management and also assesses the appropriateness and effectiveness of the ICS by conducting regular spot checks.

Accounting-related internal control system and risk management system

In accordance with section 289 (4) and section 315 (4) German Commercial Code (HGB), United Internet AG is obliged to describe the main features of its accounting-related internal control system and risk management system in its Management Report.

United Internet AG regards risk management as part of its internal control system (ICS). The ICS comprises organizational, controlling, and monitoring structures to ensure permanent compliance with legal and corporate requirements.

The Management Board of United Internet AG is responsible for the scope and structure of its ICS and takes account of the Company's specific requirements. The monitoring of the ICS's effectiveness is one of the duties of the Supervisory Board of United Internet AG, which is regularly informed by the Management Board about the status of the ICS and the findings of the Company's Internal Audit system. Within the United Internet Group, Corporate Audit is responsible for independently auditing the appropriateness, effectiveness, and functionality of the ICS and has been granted extensive rights with regard to information, examination, and access in order to exercise its duties. Its audits are based on a risk-oriented audit plan which also includes regular audits of subsidiaries. In addition, the Corporate Audit department conducts fundamental audits regarding the proper functioning of important asset and inventory stock-taking. In addition, those areas of ICS of relevance for financial reporting are audited with regard to efficiency by the external auditors as part of their risk-oriented audit approach.

The accounting-related ICS is continuously being developed and comprises principles, procedures, and measures to secure the effectiveness, economic efficiency, and compliance of the accounting system and to ensure that the relevant laws and standards are observed. During preparation of the Consolidated Financial Statements, the ICS is used in particular to ensure the application of International Financial Reporting Standards (IFRS), as endorsed by the European Union, and the additional provisions under commercial law pursuant to section 315e of the German Commercial Code (HGB). When preparing the Annual Financial Statements and Management Report, the ICS also helps ensure that regulations under commercial law are observed.

However, a fundamental aspect of every ICS, irrespective of its particular design, is that it cannot provide absolute safety that material misstatements in accounting are avoided or detected. This may be due, e.g., to incorrect discretionary decisions of individuals, faulty controls, or criminal acts.

The following statements refer solely to the fully consolidated subsidiaries included in the Annual Financial Statements of United Internet AG, for which United Internet AG has the direct or indirect possibility of determining their financial and liquidity policy in order to derive a benefit from the activity of these companies.

The task of United Internet AG's risk management system includes setting measures to detect and assess risks, reduce them to an acceptable level, and monitor recognized risks. A risk management system requires organized action to deal suitably with uncertainty and threats and urges employees to utilize the regulations and instruments required to ensure compliance with the risk management principles. In addition to operative risk management, it also includes the systematic early recognition, management, and monitoring of risks. The accounting-related risk management system focuses on the risk of false statements in accounting and external reporting.

Specific accounting-related risks may arise, for example, from the conclusion of unusual or complex transactions. Business transactions which cannot be processed in a routine manner are also exposed to latent risks. It is necessary to grant a limited circle of people certain scope for discretion in the recognition and measurement of assets and liabilities, which may result in further accounting-related risks.

The accounting-related ICS comprises internal controls, defined on the basis of risk aspects, for those processes which are relevant for financial reporting as well as those processes that support the IT systems. Special emphasis is placed on IT security, change management, and operational IT processes. Organizational, preventive, and detective controls are applied, which can be conducted manually or with the aid of IT. The effectiveness and efficiency of the accounting-related ICS requires highly developed employee skills. Regular training, the "four-eye principle", and the functional separation of administrative, executive, and approval processes are indispensable for the United Internet Group. The Corporate Accounting division and other accounting departments are responsible for the management of the accounting processes. Laws, accounting standards, and other pronouncements are continuously analyzed with regard to their relevance and impact on accounting. The Group's accounting policy sets out and communicates relevant requirements and forms the basis for the financial statement preparation process. In addition, supplementary procedural instructions such as the intercompany guideline, standardized reporting formats, IT systems and computer-aided reporting and consolidation processes support the standardized and compliant Group accounting process. The Corporate Accounting division ensures that these requirements are implemented uniformly throughout the Group. The Group companies are responsible for the orderly and timely execution of the accounting-related processes and systems and are supported by the accounting departments accordingly.

If significant control weaknesses or opportunities for improvement are detected, they are assessed and countermeasures are developed with the persons responsible to improve the effectiveness of the ICS. Implementation of the measures is monitored by Corporate Audit and may be the subject of subsequent audits. In order to ensure the high quality of the accounting-related ICS, Corporate Audit is closely involved during all stages.

Effectiveness statement (unaudited)

Based on its regular review of the internal control system and risk management system, the Management Board is not aware of any circumstances at the time of preparing this Combined Management Report that would speak against or call into question the appropriateness and effectiveness of these systems.

6. DISCLOSURES REQUIRED BY TAKEOVER LAW

The following disclosures according to sections 289a and 315a German Commercial Code (HGB) represent conditions as of the balance sheet date. As required by section 176 (1) sentence 1 German Stock Corporation Law ("Aktiengesetz" – AktG), the disclosures are explained in the sections below.

With regard to disclosures on the composition of subscribed capital, as well as direct and indirect participating interests in the capital, pursuant to section 289a sentence 1 no. 1 and no. 3 HGB and section 315a sentence 1 no. 1 and 3 HGB, please refer to note 37 in the Notes to the Consolidated Financial Statements and to the notes on equity in the Annual Financial Statements of United Internet AG as at December 31, 2024.

For further details, please refer to note 16, as well as 37 - 39, in the Notes to the Consolidated Financial Statements.

Composition of capital

Since the completion of the capital reduction resolved by the Management Board on February 14, 2023, with the approval of the Supervisory Board, by means of canceling 2,000,000 treasury shares, the subscribed capital of United Internet AG amounts to € 192,000,000 (unchanged from the end of the reporting period on December 31, 2024) and is divided into 192,000,000 registered no-par shares. Each share entitles the owner to one vote. There are no other share categories. In the case of a capital increase, the commencement of dividend entitlement for new shares may be determined separately from the moment of contribution. All shares are listed on the stock exchange.

Limitations affecting voting rights or the transfer of shares

There are legal limitations affecting voting rights of certain shares pursuant to section 71b AktG and section 71d S. 4 in conjunction with section 71b AktG. At the end of the reporting period on December 31, 2024, United Internet AG held a total of 19,162,689 treasury shares corresponding to 9.98% of the capital stock of 192 million shares (December 31, 2023: 19,183,705 treasury shares or 9.99% of the capital stock).

There are also legal limitations affecting voting rights regarding a conflict of interests pursuant to section 136 (1) AktG for shares held by the Management Board and Supervisory Board.

As at the end of the reporting period on December 31, 2024, Mr. Dommermuth indirectly held 93,955,205 shares of United Internet AG (48.94% of capital stock). Of the other Management Board members, Mr. Hartings held 21,016 shares of the Company (0.01% of capital stock) and Mr. Huhn held 500 shares of the Company (0.00% of capital stock) as of December 31, 2024.

Of the current members of the Supervisory Board, Mr. Rasch held 12,500 shares (0.01% of capital stock) as of December 31, 2024.

There are no limitations affecting the transfer of shares.

Direct and indirect participations in capital with over 10% of voting rights

On December 31, 2024, the Company's CEO, Mr. Ralph Dommermuth, residing in Germany, indirectly held 93,955,205 shares or 48.94% of the 192,000,000 shares in United Internet AG. The Management Board is not aware of further participations in capital exceeding 10% of voting rights.

Special rights

Mr. Ralph Dommermuth is personally entitled to nominate two members of the Supervisory Board. This right is exercised by naming a person for the Supervisory Board to the Company's Management Board. The nomination becomes effective as soon as the nominated person declares his acceptance of the Supervisory Board seat to the Management Board. A requirement for the aforementioned nomination right is that Mr. Ralph Dommermuth holds shares himself or via affiliated companies pursuant to section 15f. AktG representing at least 25% of the Company's voting capital and can prove as much to the Management Board on nomination of the Supervisory Board member by providing depository account statements or similar documents. Mr. Dommermuth has so far not made use of this nomination right.

The Management Board is not aware of any further shares with special rights.

Appointment and dismissal of Management Board members, amendments to Company articles

The appointment and dismissal of Management Board members is determined by sections 84, 85 AktG in conjunction with section 1 of the rules of procedure for the Supervisory Board. According to section 6 (1) of the Company's articles, the Management Board consists of at least one person. The Supervisory Board appoints and dismisses the members of the Management Board, determines their number and can appoint one member of the Management Board as Chairman.

Each amendment of the Company's articles requires the adoption of a shareholders' meeting resolution with a majority of at least three quarters of capital represented at the vote. Pursuant to section 22 of the Company's articles in conjunction with section 179 (1) sentence 2 AktG (Changes in capital stock and number of shares), the Supervisory Board is authorized to make amendments to the Company's articles insofar as they only concern formulation.

Powers of the Management Board to issue new shares

The Management Board is entitled to issue new shares under the following circumstances:

The Management Board is authorized to increase, subject to the approval of the Supervisory Board, the capital stock until August 31, 2026 by a maximum of € 75,000,000.00 by issuing on one or more occasions new no-par value shares in return for cash and/or non-cash contributions (**Authorized Capital 2023**). In the case of cash contributions, the new shares may – at the option of the Management Board – also be underwritten, subject to the approval of the Supervisory Board, by one or several credit institutions and/or any other company fulfilling the requirements of section 186 (5) sentence 1 AktG subject to the obligation to offer the shares only to the shareholders for subscription (indirect subscription rights).

Subject to the following restrictions, the shareholders will be granted subscription rights.

The Management Board is authorized to exclude, subject to the approval of the Supervisory Board, fractional shares from the shareholders' subscription rights and to also exclude subscription rights to the extent necessary in order to grant subscription rights for new shares to bearers of warrants and convertible bonds issued by United Internet AG or its subsidiaries in the amount to which they would be entitled on exercise of their warrant or conversion rights or fulfillment of their conversion obligations.

Furthermore, in the event of a capital increase in return for cash contributions, the Management Board is authorized to exclude, subject to the approval of the Supervisory Board, shareholders' subscription rights for an amount of up to 10% of the capital stock existing at the time Authorized Capital 2023 becomes effective or – if this amount is lower – at the time the resolution to use Authorized Capital 2023 is adopted if the new shares are issued at an issuance price which is not substantially below the market price of those Company shares already listed at the time of the final determination of the issuance price, which is to be as near in time as possible to the share issue date. This maximum amount includes any shares that are issued or to be issued under bonds with warrants or convertible bonds provided that the bonds are issued during the term of this authorization in analogous application of section 186 (3) sentence 4 AktG with subscription rights excluded; also, the amount must take into account any shares that are issued or sold during the term of this authorization pursuant to or in analogous application of section 186 (3) sentence 4 AktG.

In addition, the Management Board is authorized to exclude, subject to the approval of the Supervisory Board, shareholders' subscription rights in the event of capital increases in return for non-cash contributions in order to grant shares for the purpose of acquiring companies, parts of companies, interests in companies or other assets, including rights and receivables, or as part of business combinations.

The foregoing authorizations to exclude subscription rights are in aggregate limited to an amount of up to 20% of the capital stock existing at the time Authorized Capital 2023 becomes effective or – if this amount is lower – at the time the resolution to use Authorized Capital 2023 is adopted. This maximum amount of 20% of the capital stock includes the proportionate share of capital stock attributable to shares that are subject to conversion and/or warrant rights or conversion obligations under bonds that are issued with warrant and/or conversion rights or conversion obligations during the term of this authorization with subscription rights excluded, as well as the proportionate share of capital stock attributable to treasury shares sold or used during the term of this authorization in a manner other than via the stock exchange or by means of an offer to all shareholders.

The Management Board is also authorized to determine, subject to the approval of the Supervisory Board, the further details of the capital increase and its execution.

Capital stock is conditionally increased by up to € 18,500,000.00, divided into up to 18,500,000 no-par value registered shares (**Conditional Capital 2023**). The conditional capital increase shall only be implemented to the extent that the bearers or holders of warrant rights or conversion rights or obligations from bonds with warrants or convertible bonds that have been issued or guaranteed by the Company or a subordinated Group company in the period ending August 31, 2026, on the basis of the Management Board's authorization resolved by the Annual Shareholders' Meeting of May 17, 2023, exercise their warrant or conversion rights or, to the extent that they are obligated to convert their bonds, fulfill their obligation, or to the extent that the Company exercises a right to grant shares in the Company, instead of paying the cash amount due (or parts thereof), and to the extent that cash compensation is not granted or treasury shares or shares in another listed company are not used to service bonds.

The new shares shall be issued at the warrant or conversion price to be determined in accordance with the above authorizing resolution. The new shares shall participate in profits from the beginning of the fiscal year in which they are created; to the extent that it is legally permissible, the Management Board may, with the approval of the Supervisory Board, determine the profit participation of new shares and, notwithstanding section 60 (2) AktG, also for a fiscal year already expired.

The Management Board is authorized, subject to the approval of the Supervisory Board, to determine the further details concerning the execution of the conditional capital increase.

Powers of the Management Board to buy and use treasury shares

The authorization to acquire and use treasury shares that was granted by the Annual Shareholders' Meeting on May 20, 2020 in accordance with section 71 (1) number 8 AktG expired on August 31, 2023. Against this background, the Annual Shareholders' Meeting of May 17, 2023 issued a new authorization pursuant to section 71 (1) number 8 AktG, to acquire and use treasury shares. This authorization is valid from September 1, 2023 to August 31, 2026.

The authorization is limited to an amount of 10% of the capital stock existing at the time the Annual Shareholders' Meeting adopts the resolution or – if this amount is lower – at the time the authorization is exercised. The authorization can be exercised directly by the Company, or by a dependent or majority-owned corporation of the Company, or by third parties commissioned by dependent or majority-owned corporations of the Company, and permits the purchase of treasury shared in their entirety or in parts on one or more occasions.

Treasury shares may be acquired via the stock exchange or by means of a public purchase offer made to all shareholders or by means of a public request made to all shareholders to submit sales offers or by granting tender rights to shareholders.

- If acquisition is made via the stock exchange or by means of a public purchase offer, the per share purchase price (excluding ancillary acquisition costs) paid by the Company must not be more than 10% above or below the arithmetic mean of the closing auction prices of the Company's no-par value shares in the Frankfurt Stock Exchange's Xetra trading system (or an equivalent successor system) over the last five stock exchange trading days before the conclusion of any transaction imposing an obligation (if the acquisition is made via the stock exchange) or before the publication of the decision to submit a public purchase offer (if the acquisition is made by means of a public purchase offer). Should the share price deviate significantly from the offered purchase price or from the limits of the offered purchase price range after a public purchase offer is published, the offer may be adjusted. In this case, the relevant purchase price shall be determined based on the corresponding stock exchange price on the last trading day before the announcement of the adjustment and must not be more than 10% higher or lower than that amount.

  The volume of a public purchase offer may be limited. If, in the case of a public purchase offer, the volume of the tendered shares exceeds the volume intended to be bought back, tender rights, if any, may be partially excluded so that shares may be acquired based on the proportions of tendered shares (percentages of tendered shares) rather than based on the proportions of the tendering shareholders' shareholdings in the Company (shareholding percentages). Tender rights, if any, may also be partially excluded such that priority is given to smaller lots of up to 100 shares offered per shareholder and such that the number of shares is rounded in accordance with commercial rounding principles in order to avoid fractions of shares.

- If acquisition is made by means of a public request made to all shareholders to submit sales offers, the Company will stipulate a purchase price range per share within which sales offers may be submitted. The purchase price range may be adjusted if, during the submission period, the share price deviates significantly from the share price prevailing at the time of publication of the request to submit sales offers. The purchase price per share (excluding ancillary acquisition costs) to be paid by the Company and that the Company calculates on the basis of the received sales offers must not be more than 10% above or below the arithmetic mean of the closing auction prices of the Company's no-par value shares in the Frankfurt Stock Exchange's Xetra trading system (or an equivalent successor system) over the last five stock exchange trading days before the cutoff date described below. The cutoff date is the date on which the Company`s Management Board makes its final and formal decision on the publication of the request to submit sales offers or the adjustment thereof.

  The volume of offers that may be accepted may be limited. If, due to the limited volume, not all of several equal sales offers can be accepted, tender rights, if any, may be partially excluded so that shares may be acquired based on the percentages of tendered shares rather than based on the shareholding percentages. Tender rights, if any, may also be partially excluded such that priority is given to smaller lots of up to 100 shares tendered per shareholder and such that the number of shares is rounded in accordance with commercial rounding principles in order to avoid fractions of shares.

- If acquisition is made by granting tender rights to the shareholders, the rights may be allocated per Company share. A number of tender rights determined based on the ratio of the Company's capital stock to the volume of shares to be bought back by the Company will entitle a tendering shareholder to sell one Company share to the Company. Tender rights may also be allocated in such a way that one tender right is allocated for a certain number of shares determined based on the ratio of the capital stock to the buyback volume. Fractions of tender rights will not be allocated; in case thereof, partial tender rights are excluded. The price or the limits of the offered purchase price range (in each case excluding ancillary acquisition costs) at which a share may be sold to the Company when a tender right is exercised will be determined in accordance with the provisions of sub-section bb) above, with the relevant cutoff date being the date of publication of the buyback offer with the granting of tender rights, and adjusted if necessary also in accordance with the provisions of the sub-section above, with the relevant cutoff date being the date of publication of the adjustment. The Company's Management Board will determine the further details of the tender rights, in particular their conditions, term and, where appropriate, tradability.

The Management Board is authorized to grant, subject to the approval of the Supervisory Board, in the event treasury shares are sold by means of an offer to all shareholders subscription rights for shares to the bearers of bonds with warrants and/or convertible bonds issued by the Company or any subordinated Group company in the amount to which they would be entitled on exercise of their warrant or conversion rights or fulfillment of their conversion obligations.

In addition, the Management Board is authorized to sell, subject to the approval of the Supervisory Board, treasury shares in a manner other than via the stock exchange or by means of an offer to all shareholders if the shares are sold for cash at a price that is not substantially below the stock exchange price of the Company's shares at the time of sale. The shareholders' subscription rights are excluded in this context. However, this authorization is subject to the condition that the shares sold with subscription rights excluded pursuant to section 186 (3) sentence 4 AktG must not exceed in aggregate 10% of the capital stock either at the time the authorization becomes effective or – if this amount is lower – at the time the authorization is exercised. This limit of 10% of the capital stock includes those shares that are issued during the term of this authorization until the sale of treasury shares from authorized capital with subscription rights excluded pursuant to section 186 (3) sentence 4 AktG. This limit of 10% of the capital stock also includes those shares that are issued or are to be issued in order to service warrant and/or conversion rights and/or conversion obligations provided that the bonds are issued during the term of this authorization in analogous application of section 186 (3) sentence 4 AktG with subscription rights excluded.

The Management Board is also authorized to use, subject to the approval of the Supervisory Board, treasury shares for the following purposes, in addition to a sale via the stock exchange or a use in another manner that complies with the principle of equal treatment of all shareholders:

- As (partial) consideration in connection with the acquisition of companies or interests in companies or parts of companies or in connection with business combinations.

- To float shares of the Company on foreign stock exchanges on which they were previously not admitted to trading. The price at which these shares are floated on foreign stock exchanges (excluding ancillary acquisition costs) must not be more than 5% below the arithmetic mean of the prices of the Company's no-par value shares in the closing auctions of the Frankfurt Stock Exchange's Xetra trading system (or an equivalent successor system) over the last five stock exchange trading days before the day of their flotation on the foreign stock exchange.

- To grant shares of the Company to current and former members of the Management Board and employees of the Company as well as to current and former members of the management boards or, as the case may be, boards of directors and employees of affiliates of the Company within the meaning of sections 15 et seqq. AktG in fulfillment of claims under virtual share participation programs. To the extent members of the Company's Management Board are to be granted shares, the Company's Supervisory Board decides thereon.

Shareholders' statutory subscription rights with regard to these treasury shares will be excluded in accordance with sections 71 (1) no. 8 and 186 (3) and (4) AktG to the extent that these shares are used pursuant to the above authorizations. Furthermore, the Managing Board is authorized to exclude, subject to the approval of the Supervisory Board, shareholders' subscription rights for fractional shares if treasury shares are sold by means of an offer to all shareholders.

The authorizations to exclude subscription rights are in aggregate limited to an amount of up 10% of the capital stock existing at the time these authorizations become effective or – if this amount is lower – at the time the resolution to sell treasury shares is adopted. This maximum amount of 10% of the capital stock includes the proportionate share of capital stock attributable to shares that are subject to conversion and/ or warrant rights or conversion obligations under bonds issued during the term of this authorization with subscription rights excluded, as well as the proportionate share of the capital stock attributable to shares issued from authorized capital during the term of this authorization with subscription rights excluded.

In addition, the Management Board is authorized to redeem, subject to the approval of the Supervisory Board, treasury shares without any further resolution of the Annual Shareholders' Meeting being required either for the redemption or the implementation thereof. The redemption may also be implemented in accordance with section 237 (3) no. 3 AktG without a capital reduction and in such a manner that, as a result of the redemption, the proportionate share of the Company's remaining no-par value shares in the capital stock is increased in accordance with section 8 (3) AktG. In accordance with section 237 (3) no. 3, 2nd half-sentence AktG, the Management Board is authorized to amend the number of shares specified in the Articles of Association accordingly. The redemption may also be implemented in combination with a capital reduction, in which case the Management Board is authorized to reduce the capital stock by the proportionate share of capital stock attributable to the redeemed shares. The Supervisory Board is authorized to amend the number of shares and the capital stock amount specified in the Articles of Association.

The foregoing authorizations are granted for the period beginning September 1, 2023. They may be exercised once or several times, in their entirety or partially, individually or collectively. They also cover the use of treasury shares that have been acquired on the basis of previous authorizations to acquire treasury shares and treasury shares that have been acquired in accordance with section 71d sentence 5 AktG or (i) by any company controlled or majority-owned by the Company or (ii) by third parties acting for the account of the Company or of any company controlled or majority-owned by the Company.

Material agreements conditional to a change of control following a takeover bid

In December 2024, a bank consortium granted United Internet AG a new syndicated loan facility and syndicated loan totaling € 1,500 million. € 700 million of this amount had been drawn as at the end of the reporting period on December 31, 2024.

- The members of the consortium were granted the right to terminate their share of the syndicated loan facility or the syndicated loan if a third party or a group of third parties acting in concert acquired a majority of the shares in United Internet AG or held the majority of voting shares at an Annual Shareholders' Meeting of the Company. The right of termination is available to each member of the bank consortium individually within 30 days of the announcement of the change of control by the Company. However, this right of termination does not apply if the majority of shares or voting rights at an Annual Shareholders' Meeting are acquired by Mr. Ralph Dommermuth or his direct relatives.

Furthermore, several promissory note loans of United Internet AG totaling € 1,217.0 million are outstanding at the end of the reporting period on December 31, 2024.

- The lenders of the promissory notes were granted the right to terminate their share of the respective promissory note loans if a third party or a group of third parties acting in concert acquired a majority interest in United Internet AG. The right of termination is available to each lender individually within 30 days of the announcement of the change of control by the Company. However, this right of termination does not apply if the majority of the shares are acquired by Mr. Ralph Dommermuth.

Compensation agreements in the event of a change of control following a takeover bid

No compensation agreements have been concluded with members of the Management Board or employees of the Company in the event of a change of control following a takeover bid.

7. DECLARATION ON COMPANY MANAGEMENT

The disclosures made in chapter "7. Declaration on Company Management" are "non-audited management report disclosures" as an audit of the disclosures contained in the Declaration on Company Management in accordance with section 317 (2) sentence 6 German Commercial Code ("Handelsgesetzbuch" – HGB) is limited to the fact that the information has been provided and the Corporate Governance Report in chapter 7 constitutes a "non-management report-related disclosure" which is not subject to a substantive audit.

Principles of corporate governance

As a German public company listed on the stock exchange, the management of United Internet AG is governed by the relevant statutory regulations and the recommendations and suggestions of the German Corporate Governance Code (the "Code").

The term Corporate Governance stands for responsible corporate management and control geared to sustainable value creation. Efficient cooperation between Management Board and Supervisory Board, respect for stockholder interests, openness and transparency of corporate communications are key aspects of good corporate governance.

The Management Board and Supervisory Board of United Internet AG regard it as their duty to secure the Company's continued existence and sustainable value creation through responsible corporate governance focused on the long term. Appropriate consideration is given to environmental and social objectives.

In this declaration on company management, the Management Board and Supervisory Board report on the Company's corporate governance (Corporate Governance Report) in addition to the statutory requirements in accordance with section 289f HGB for the parent company and section 315d HGB for the Group also in accordance with Principle 23 of the Code. The Corporate Governance Report is based on the Code in its current version dated April 18, 2022, which was published in the Federal Gazette on June 27, 2022.

Management and corporate structure

In accordance with its legal status, United Internet AG operates a dual management and monitoring structure comprising two corporate bodies: the Management Board and the Supervisory Board. The third body is the Shareholders' Meeting. All three bodies are committed to serving the Company's interests.

Management Board

Working procedures of the Management Board

The Management Board is the body charged with managing the Group's operations. In the fiscal year 2024, it consisted of three persons (namely Mr. Ralph Dommermuth, Mr. Ralf Hartings, and Mr. Markus Huhn). Following the departure of Mr. Ralf Hartings as of the end of December 31, 2024 and the appointment of Mr. Carsten Theurer as of January 1, 2025, it continues to consist of three persons.

For initial appointments, a term of office of three years is considered. The Supervisory Board assesses on a case-by-case basis as to which term of office within the legally permissible term of appointment appears appropriate. Beyond this, Management Board members are appointed for no longer than five years. The Management Board conducts operations in accordance with its legal and statutory obligations, as well as the rules of procedure adopted by the Supervisory Board, and the corresponding recommendations of the Code – unless deviations are declared pursuant to section 161 AktG.

The Management Board is responsible for preparing the Interim and Annual Financial Statements as well as for appointing key managers within the Company. In addition, it systematically defines the risks and opportunities for the Company associated with social and environmental factors, as well as the environmental and social impact of the Company's activities, and subsequently assesses these. In addition to long-term economic objectives, the corporate strategy also takes appropriate account of environmental and social objectives. Corporate planning includes both the corresponding financial and sustainability-related targets. The corporate culture of the United Internet Group is characterized by the traditional values of responsibility, the will to succeed, agility, solidity, fairness, and openness, which form the foundation for sustainable corporate success. To ensure exemplary corporate action and behavior, the Management Board has developed ethical guidelines which are set out in a Code of Conduct. The Code of Conduct contains the main principles of responsible corporate behavior and makes specific recommendations. In addition, the United Internet Group pays particular attention to compliance with human rights and environmental due diligence in its own business and for our supply chains, which is reported on annually. Further information on the assumption of responsibility and our commitment to sustainability can be found on the Company’s website at www.united-internet.de under "Company" in the sections "Responsibility" and "Sustainability".

Decisions of fundamental importance require the approval of the Supervisory Board. The Management Board reports to the Supervisory Board in accordance with the statutory provisions of section 90 AktG and provides the Chairman of the Supervisory Board at least once a month with an oral overview – and at the request of the Chairman of the Supervisory Board also in writing – of the current status of relevant reporting items pursuant to section 90a AktG. The Chairman of the Supervisory Board is thus informed without delay by the Chairman of the Management Board, or the Chief Financial Officer, about important events that are essential for assessing the Company’s situation and development, as well as for the management of the Company. Important items also include any substantial deviation from the budget or other forecasts of the Company. The Chairman of the Management Board, or Chief Financial Officer, shall also inform the Chairman of the Supervisory Board, in advance where possible otherwise immediately thereafter, about all ad hoc announcements of the Company pursuant to Art. 17 MAR.

There is an age limit of 70 for members of the Management Board. This requirement is currently complied with in full.

The Management Board conducts the Company’s business with joint responsibility and according to common objectives, plans, and policies. Irrespective of the joint responsibility of the Management Board, each member bears responsibility for his assigned division, but is required to subordinate the interests of his assigned division to the overall good of the Company.

The full Management Board regulates the division of responsibilities in a business distribution plan.

The Management Board members inform each other about important events within their divisions. Matters of greater importance which are not approved in the budget must be discussed and decided by at least two Management Board members, whereby one of the two Management Board members must be responsible for the Finance division.

Irrespective of their areas of responsibility, all Management Board members constantly monitor those events and data which are crucial for the Company's business development so they are always able to help avert potential disadvantages, or implement desirable improvements and expedient changes by drawing them to the attention of the full Management Board.

The full Management Board resolves on all matters of particular importance and scope for the Company or its subsidiaries and investment companies.

Resolutions are adopted by the full Management Board with a simple majority. Should the vote result in a tie, the Chairman of the Management Board has a casting vote. The resolutions of the Management Board are recorded in the minutes.

The full Management Board meets regularly once a month and otherwise as required.

Each Management Board member immediately discloses any conflict of interest to the Chairman of the Supervisory Board and the Chairman of the Management Board and informs the other Management Board members about it where necessary.

During the reporting period, the members of the Management Board did not and do not currently hold any supervisory board mandates in other listed companies outside the Group or comparable functions and thus also do not chair the supervisory boards of such companies.

Composition of the Management Board

The Management Board of United Internet AG comprised the following members in the fiscal year 2024:

Management Board members on December 31, 2024

- Ralph Dommermuth, Company founder and Chief Executive Officer
  (with the Company since 1988)

- Ralf Hartings, Chief Financial Officer
  (Management Board member from April 1, 2023 to December 31, 2024; with the United Internet Group since 2021)

- Markus Huhn, Management Board member responsible for Shared Services / HR
  (Management Board member since April 1, 2023; with the United Internet Group since 1994)

Change in the Management Board

- Ralf Hartings, Chief Financial Officer
  (Management Board member from April 1, 2023 to December 31, 2024)

- Carsten Theurer, Chief Financial Officer
  (Management Board member since January 1, 2025; with the United Internet Group since 2025)

Supervisory Board

Working procedures of the Supervisory Board

In the fiscal year 2024, the Supervisory Board elected by the Annual Shareholders' Meeting consisted of six members until July 4, 2024. Since Prof. Dr. Andreas Söffing stepped down from the Supervisory Board on July 4, 2024, it has comprised five members (namely, Mr. Philipp von Bismarck, Dr. Manuel Cubero del Castillo-Olivares, Mr. Stefan Rasch, Prof. Dr. Yasmin Mei-Yee Weiss, and Prof. Dr. Franca Ruhwedel). The members of the Supervisory Board are generally elected for a period of five years.

In accordance with German law, the Company's articles, its rules of procedure, and the corresponding recommendations of the Code – unless deviations are declared pursuant to section 161 AktG – the Supervisory Board is in regular contact with the Management Board and monitors and advises it with regard to the management of business, and the Company's risk and opportunity management system. This mainly comprises topics sustainability, compliance and information security..

The Supervisory Board meets at regular intervals to discuss with the Management Board all matters of relevance to the Company regarding strategy and its implementation, as well as planning, the development of business, the risk position, risk management, and compliance. Together with the Management Board, it discusses the quarterly statements and half-year reports before publication and approves the annual budgets. These includes detailed sales, cost and earnings budgets as well as liquidity and annual investment budgets. The Supervisory Board examines the Annual Financial Statements of the parent company and the Group and adopts them if it has no reservations. In doing so, it also takes the reports of the Company's external auditors into account.

The Supervisory Board's responsibilities also include appointing members of the Management Board, as well as determining and regularly monitoring their remuneration in compliance with the latest legal regulations and recommendations of the Code – unless deviations are declared pursuant to section 161 AktG.

When appointing members of the Management Board, the Supervisory Board strives to achieve the best possible, diverse and mutually complementary composition for the Company and pays attention to long-term succession planning. Experience and industry knowledge as well as professional and personal qualifications play a particularly important role.

As part of its long-term succession planning, the Supervisory Board, with the involvement of the Management Board, regularly discusses highly skilled executives who could be considered as potential candidates for Management Board positions.

The Supervisory Board conducts regular tests to assess the efficiency of the Supervisory Board as a whole, as well as the efficiency of the Supervisory Board's Audit and Risk Committee. In accordance with Recommendation D.12 of the Code, the Supervisory Board and its committee assess how effectively they each perform their duties as a body. For this purpose, a self-assessment by means of questionnaires is conducted approximately every two years.

At its meeting on November 11, 2024, the Audit and Risk Committee of United Internet AG conducted a self-assessment for the fiscal year 2024 in the presence of all Committee members and the Chairwoman of the Committee. The self-assessment was carried out in detail at this meeting on the basis of a comprehensive catalog of questions, which included in particular an assessment of the areas "composition of the committee", "provision of information to the committee", "committee meetings", "activities of the committee chairperson" and "monitoring of financial reporting, sustainability reporting and corporate control systems".

After completing the self-assessment, the Audit and Risk Committee came to the conclusion that professional cooperation within the committee, as well as the trusting and cooperative relationship with the auditor, the Management Board and the company departments continues to be upheld.

The last self-assessment of the Supervisory Board was conducted and evaluated in the fourth quarter of 2022. The self-assessment was carried out on the basis of a comprehensive catalog of questions, focusing in particular on expectations, time commitment, composition of the Supervisory Board, independence of the Supervisory Board and how it deals with conflicts of interest, Management Board and Supervisory Board remuneration, and accounting matters.

The results of the self-assessments confirm that there is a good and open exchange within the bodies, as well as a trusting and cooperative working relationship with the auditor, the Management Board and the Company's departments. This professional cooperation is reflected, for example, in the receipt of well-prepared documents/information, which are always provided appropriately and on time. Specific suggestions are addressed and implemented during the year as part of the work of the Supervisory Board and Audit and Risk Committee.

Following a thorough evaluation, it can therefore be assumed that the activities of the Supervisory Board and its Audit and Risk Committee are performed efficiently.

The members of the Supervisory Board complete the training and further education measures required for their tasks on their own, but receive appropriate support in this context from the Company. The measures conducted are detailed in the Report of the Supervisory Board.

The Supervisory Board is convened at least twice every half of a calendar year. Supervisory Board meetings are convened in writing by its Chairman at least 14 days in advance. Further and more detailed information on the exact number of meetings and the topics discussed at these meetings can be found in the Report of the Supervisory Board to the Annual Shareholders' Meeting of the Company.

When Supervisory Board meetings are convened, the Supervisory Board members are informed of the agenda items. If an agenda item has not been properly announced, a resolution concerning it may only be adopted if no Supervisory Board member objects prior to the vote.

Resolutions of the Supervisory Board are generally adopted at meetings held with physical attendance. However, it is permissible for meetings of the Supervisory Board to be held in the form of a video or telephone conference call or for individual members of the Supervisory Board to be connected by video or telephone call and, in such cases, for resolutions to be adopted or votes to be cast by video or telephone conference call. Meetings are chaired by the Chairman of the Supervisory Board. If so arranged by the Chairman, resolutions may also be adopted outside of meetings by other means, for example by phone or e-mail, if no member objects to this procedure.

The Supervisory Board has a quorum if all members have been officially invited and at least three members participate in the resolution. A member shall also be deemed to participate in a resolution if he abstains from voting.

Unless the law prescribes otherwise, resolutions of the Supervisory Board are adopted with a simple majority.

Minutes are kept of the Supervisory Board's discussions and resolutions.

The Chairman of the Supervisory Board is authorized to submit on behalf of the Supervisory Board the declarations of intent required for the implementation of the Supervisory Board's resolutions.

The Audit and Risk Committee assists the Supervisory Board in its monitoring of accounting practices and the integrity of the accounting process, as well as in monitoring the effectiveness and functionality of the internal control system, the risk management system, the compliance management system, and the internal auditing system. Moreover, it supports the Supervisory Board in monitoring the auditing of the financial statements, the services provided by the auditor, the auditing fees, and the additional services provided by the auditor.

The Audit and Risk Committee closely examines the Annual Financial Statements and Consolidated Financial Statements, the Combined Management Report for the Company and the Group, the non-financial statement and the non-financial Group statement (or a Sustainability Report which replaces these), and the Management Board's proposal for the allocation of unappropriated profit. It discusses with the Management Board and the auditors the audit reports, the audit process, the audit focus areas and methodology, as well as the audit results, also with regard to the internal control system relating to the accounting process, and makes recommendations to the Supervisory Board. It regularly assesses the quality of the audit. Prior to their publication, it discusses the quarterly statements and the half-year financial report with the Management Board.

The Audit and Risk Committee prepares the negotiations and resolutions of the Supervisory Board for the election proposal of the auditor to the Annual Shareholders' Meeting and decisions on corporate governance issues, as well as resolving on the approval of related party transactions in accordance with section 111b (1) AktG. There were no such transactions requiring approval in the reporting period.

The Audit Committee discusses with the auditor the assessment of the audit risk, the audit strategy and audit planning, and the audit results. The Chairwoman of the Audit Committee regularly discusses current issues relating to the audit and its progress with the auditor, also in the presence of all members of the Audit and Risk Committee. The Audit Committee also consults regularly with the auditor without the presence of the Management Board. A total of six consultation meetings were held with the auditor in 2024. In addition, the auditor regularly attends the meetings of the Audit and Risk Committee.

The Chairwoman of the Audit Committee regularly reports to the Supervisory Board on the activities of the Audit and Risk Committee. In the event of significant occurrences and findings by the Audit and Risk Committee, the Chairman of the Supervisory Board is immediately informed.

Targets for the composition of the Supervisory Board / status of implementation

The Company's Supervisory Board aims to achieve a composition of the Supervisory Board that enables qualified advice and supervision for the Company's Management Board.

In view of

- the size of the Supervisory Board,
- the business in which the Company operates,
- the size and structure of the Company,
- the scope of the Company's international activities, and
- its current shareholder structure,

the Company's Supervisory Board has adopted the targets presented below for its future composition. These take into account the statutory requirements both with regard to the requirements placed on individual Supervisory Board members and with regard to the composition of the entire Supervisory Board and – unless expressly stated otherwise – the recommendations of the Code. In particular, a skills profile has been prepared with regard to the overall body.

The Supervisory Board will take these targets into account when making proposals to the Annual Shareholders' Meeting regarding the election of Supervisory Board members and ensure that the respective candidates meet the requirements for fulfilling the skills profile for the overall body. In doing so, the specific situation of the Company must be taken into consideration.

Requirements for individual members

The Company's Supervisory Board aims to ensure that each Supervisory Board member meets the following requirements:

General requirement profile
Each member of the Supervisory Board should have the requisite knowledge and experience to enable them to carefully monitor and advise the Company's Management Board and to assess any risks for the Company's business. Moreover, the Supervisory Board will ensure that all its members have a personal profile that enables them to maintain the Company's public reputation.

Time availability
All members of the Supervisory Board must have sufficient time to exercise their duties with due care throughout the entire period of office. In particular, the members of the Supervisory Board must observe the legal requirements and should follow the Code's recommendations regarding the permissible number of Supervisory Board mandates.

Conflicts of interest
Supervisory Board members should not engage in any other activities likely to cause frequent conflicts of interest. These include board positions or consultancy work for key competitors, as well as personal relationships with them.

Age limit for Supervisory Board members
As a rule, members of the Supervisory Board should not have reached the age of 70 at the time of their election or re-election.

Requirements regarding the composition of the Supervisory Board as a whole

In addition to the individual requirements for Supervisory Board members, the Company's Supervisory Board also strives to reach the following targets for the composition of the Supervisory Board as a whole in line with recommendation C.1 of the Code.

Skills profile for the Supervisory Board as a whole
The members of the Supervisory Board must collectively have the knowledge, skills, and professional experience necessary for them to carry out their tasks as required. The Supervisory Board strives to ensure that the Supervisory Board as a whole covers the widest possible range of knowledge and experience relevant to the Company, and in particular meets the following requirements:

- In-depth knowledge and experience of the telecommunications and internet sector;
- Expertise or experience from other sectors of the economy;
- Entrepreneurial or operational experience;
- At least one member with several years of experience working abroad or working for a company with international activities;
- At least one member with special knowledge and experience in the application of accounting principles and internal control processes;
- Expertise in sustainability issues of significance for the Company;
- At least one member with expertise in the field of accounting, whereby the expertise in the field of accounting must consist of special knowledge and experience in the use of accounting principles and internal control and risk management systems and must also apply to sustainability reporting;
- At least one additional member with expertise in the field of auditing, whereby the expertise in the field of auditing must consist of special knowledge and experience in the field of auditing and must also apply to the auditing of sustainability reporting;
- Knowledge and experience of strategy development and implementation;
- In-depth knowledge and experience of controlling and risk management;
- Knowledge and experience of HR planning and management;
- In-depth knowledge and experience in the field of governance and compliance;
- Expertise in the needs of capital market-oriented companies.

Diversity
The Supervisory Board aims to ensure that the Supervisory Board is composed of a wide variety of members so that the Supervisory Board as a whole has sufficient diversity of opinion and knowledge. In

its nominations, the Supervisory Board will take into account the diversity concept established by the Company, which is presented in a separate section below.

Independence

The Supervisory Board aims to ensure that – what it believes to be – an appropriate number of at least four of its five members are also independent within the meaning of the criteria set out in the recommendations of the Code.

The Supervisory Board once again addressed the above objectives for its composition during the reporting year. In particular, it discussed them with regard to the skills profile for the full Supervisory Board. It also adhered to them and further expanded them. The Supervisory Board strives to fulfill the skills profile it developed for the Supervisory Board as a whole.

Composition of the Supervisory Board/implementation status

The Supervisory Board of United Internet AG comprised the following members in the fiscal year 2024:

Supervisory Board members as at December 31, 2024

- Philipp von Bismarck,
  Chairman of the Supervisory Board since May 2021, member of the Audit and Risk Committee since May 2021
  (member of the Supervisory Board since July 2020)

- Dr. Manuel Cubero del Castillo-Olivares,
  Deputy Chairman of the Supervisory Board since May 2021
  (member of the Supervisory Board since May 2020)

- Stefan Rasch,
  Member of the Audit and Risk Committee since May 2021
  (member of the Supervisory Board since May 2021)

- Prof. Dr. Yasmin Mei-Yee Weiss
  (member of the Supervisory Board since July 2020)

- Prof. Dr. Franca Ruhwedel
  Member of the Audit and Risk Committee since May 2023;
  Chairwoman of the Audit and Risk Committee since January 2024
  (member of the Supervisory Board since May 2023)

Departed in the fiscal year 2024

- Prof. Dr. Andreas Söffing (member of the Supervisory Board from May 2021 to July 2024)

Skills profile of Supervisory Board members as of December 31, 2024:

		Philipp von Bismarck	Dr. Manuel Cubero del Castillo-Olivares	Stefan Rasch	Prof. Dr. Yasmin Mei-Yee Weiss	Prof. Dr. Franca Ruhwedel
Length of	Member since	7/2020	5/2020	5/2021	7/2020	5/2023
Age limit (70)	Year of birth	1975	1963	1962	1978	1973
Personal suitability	Independence	✓	✓	✓	✓	✓
	No overboarding	✓	✓	✓	✓	✓
	Former Management Board member					
	No conflicts of interest	✓	✓	✓	✓	✓
Diversity	Gender	Male	Male	Male	Female	Female
	Nationality	German	Spanish	German	German	German
Professional suitability	Telecommunications sector	✓	✓	✓		
	Media and / or IT sector		✓	✓		✓
	Expertise / experience in other sectors	✓	✓	✓	✓	✓
	Entrepreneurial or operational experience	✓	✓	✓	✓	✓
	Use of accounting principles, internal control & risk management systems, incl. sustainability reporting	✓		✓		✓
	Auditing of financial statements, incl. auditing of sustainability reporting	✓				✓
	Expertise in sustainability issues of importance to the Company					✓
	Strategy development and implementation	✓	✓	✓	✓	
	Controlling and risk management			✓		✓
	HR planning and management		✓		✓	
	Governance and compliance	✓				✓
	Expertise regarding the needs of capital market-oriented companies	✓				✓
International experience	Several years of work abroad or operational experience in an internationally active company (e.g., in the field of financial engineering, telecommunications, M&A)	✓	✓	✓	✓	✓

All members of the Supervisory Board’s Audit and Risk Committee have extensive expertise in the areas listed in D.3 of the Code, as detailed below.

Prof. Dr. Franca Ruhwedel took over the chairmanship of the Supervisory Board's Audit and Risk Committee from Prof. Dr. Andreas Söffing on January 1, 2024. Given her qualifications as a business graduate and long-standing university lecturer with professorships in Accounting and Controlling at the FOM University of Applied Sciences in Essen and in Finance and Accounting at Rhine-Waal University of Applied Sciences in Kamp Lintfort, as well as her work as a member of the supervisory board and chairwoman of the audit committee at the listed company thyssenkrupp nucera AG & Co. KGaA, her many years as a member of the supervisory board and chair of the audit committee at National-Bank AG, as a former member of the supervisory board and chairwoman of the audit committee at VTG AG, as well as other supervisory board mandates, she has extensive expertise in the areas of accounting and auditing, including sustainability reporting and its audit. With regard to accounting, her expertise in these areas consists in particular of special knowledge and experience in the application of international and national accounting principles and internal control and risk management systems, and with regard to the audit of the Annual Financial Statements, she has special knowledge and experience in auditing. Furthermore, Prof. Dr. Ruhwedel has special knowledge and experience in sustainability issues and sustainability reporting, as well as their auditing, having dealt extensively with the content and auditing of non-financial statements since the introduction of Sections 289b and 315b HGB. Since becoming a member of the Supervisory Board and its Audit Committee, she has closely monitored the planning, preparation and creation of United Internet AG's Sustainability Report and its audit.

As a further member of the Audit and Risk Committee, Mr. Philipp von Bismarck has extensive expertise in the areas of accounting and auditing, including sustainability reporting and its audit, due to his qualifications and over 20 years of experience as a lawyer in renowned commercial law firms in Germany and abroad, as well as his intensive involvement in transactions in the field of digital infrastructure for more than a decade. With regard to accounting, his expertise in these areas consists in particular of special knowledge and experience in the application of accounting principles and internal control and risk management systems, as well as special knowledge and experience in the auditing of financial statements.

The third member of the Audit and Risk Committee, Mr. Stefan Rasch, has extensive expertise in the field of accounting, including sustainability reporting, due to his qualification as a business graduate with an additional Master of Business Administration degree from the University of Pittsburgh (USA), his many years as a management consultant at the renowned Boston Consulting Group GmbH, where he is a senior partner, his former position as financial manager at Procter & Gamble Deutschland GmbH, his position as chairman of the supervisory board of Fond of Group Holding GmbH, and his former supervisory board mandates at Tele Columbus AG, which was listed on the stock exchange at the time, and Hallhuber GmbH. His expertise in accounting consists in particular of special knowledge and experience in the application of international and national accounting principles and internal control and risk management systems.

In addition to taking these objectives into account and endeavoring to meet the skills profile for the entire body, the Supervisory Board's proposals for the election of Supervisory Board members shall continue to be oriented towards the welfare of the Company as a whole. In doing so, the specific situation of the Company is to be taken into consideration.

The current term of office for each of the Supervisory Board members ends on expiry of the Annual Shareholders' Meeting of the year 2025.

Targets for the share of women on the Supervisory Board, Management Board, and in management positions / implementation status

As a listed company, United Internet AG is subject to the following obligations in particular of the German Stock Corporation Law (AktG):

- Setting of targets by the Supervisory Board for the share of women on the Supervisory Board of United Internet AG (section 111 (5) AktG).

- Setting of targets by the Supervisory Board for the share of women on the Management Board of United Internet AG (section 111 (5) AktG).

- Setting of targets by the Management Board for the share of women on the first and second management levels below the Management Board of United Internet AG (section 76 (4) AktG).

The following targets are to be set for a period of no more than five years.

After careful examination, the Supervisory Board and Management Board of United Internet AG adopted the following:

- The Supervisory Board set the deadline for the attainment of the current targets for the share of women on the Supervisory Board and Management Board as the expiry of the Annual Shareholders' Meeting in 2025 that decides on the discharge of the Supervisory Board for the fiscal year 2024.

- After a target of "0" had previously been set for the Supervisory Board, a target of 30% was set for the share of women. The Supervisory Board currently comprises two women and three men.

- A target of "0" was set for the Management Board. The Management Board was composed exclusively of (three) men in the fiscal year 2024. After extensive and careful consideration, the Supervisory Board decided, based on the Company's interest in a steady continuation of its successful work, to set an unchanged target for the Management Board (now comprising three members) of "0". At the same time, it was decided that in the event of a further increase in the size of the Management Board, the target for the proportion of women would be set at 25%.

- Irrespective of this, the selection shall always be made according to the individual skills profile of the potential board members, whereby the Supervisory Board shall endeavor to give preference to women in the case of equal qualifications.

- No target has been set for the share of women on the first and second management levels below the Management Board, as United Internet AG does not have any management levels below the Management Board due to its holding structure.

- With regard to the share of women on the Supervisory Board and Management Board, the Supervisory Board reserves the right to resolve again on the target should there be any indication of a new appointment.

The current targets for the Supervisory Board and Management Board are therefore met at present.

Diversity concept

Diversity aspects are always taken into account in the composition of the Management Board and the Supervisory Board. The Company considers diversity to be not only desirable, but also crucial to the success of the Company. The Company therefore pursues an appreciative corporate culture in which individual diversity in terms of culture, nationality, gender, age group, educational or professional background, and religion is desired and equal opportunities – irrespective of age, disability, ethnic and cultural origin, gender, religion and ideology, or sexual identity – are promoted.

The Company aims to ensure that the Management Board and Supervisory Board are composed of many different types of people and that the bodies as a whole have a sufficiently wide variety of opinions and knowledge.

In particular, the following criteria should be taken into account:

- The members of the Management Board and Supervisory Board should complement each other within their respective committees with regard to their experience, education, and professional background in order to develop a good understanding of the current status and the longer term opportunities and risks associated with the Company's business activities.

- With regard to the gender quota, the Management Board and Supervisory Board have each set a target figure for the reference period until the end of the Annual Shareholders' Meeting in 2025, which will decide on the discharge of the Supervisory Board for the fiscal year 2024. The Supervisory Board currently consists of two women and three men and the Management Board comprises three men. In principle, both genders should be treated equally according to their qualifications.

- With the exception of the age limit of 70, as stipulated in B.5 and C.2 of the Code, no differentiation is made according to age for the members of the Management Board and Supervisory Board, and the sole differentiation should be according to the required knowledge and experience.

- In view of the current size of the Management Board and Supervisory Board, consisting of just three and five members respectively, no targets have been set with regard to geographical origin. In order to ensure international experience, the Supervisory Board already stipulates that at least one member of the Supervisory Board should have several years of experience abroad or have gained operational experience with an internationally active company.

Individual strengths – in other words, everything that makes individual employees unique and distinctive within the Company – made it possible for the Company to become what it is today. A workforce comprising a wide variety of personalities offers the best possible conditions for creativity and productivity - and thus also for employee satisfaction. The resulting potential for ideas and innovation strengthens the Company's competitiveness and increases its opportunities in future markets. With this in mind, the aim is not only to find the field of activity and the function for each employee in which their individual potential and talents are best utilized, but also to ensure diversity in the composition of the Management Board and Supervisory Board – in the Company's own interests – with regard to age, gender, and professional experience, for example.

The Supervisory Board has determined that the entirety of the relevant statutory and self-imposed provisions for its composition (targets for composition, skills profile, statutory target for the proportion of women, age limit, and the other provisions outlined above) should be regarded as a diversity concept within the meaning of section 289f (2) no. 6 HGB. The Company does not consider diversity targets for the Management Board or Supervisory Board that go beyond this with additional or more specific criteria to be appropriate. In view of the current size of the Management Board and Supervisory Board, more or more specific diversity aspects would otherwise create considerable difficulties to fill the positions taking into account all diversity criteria.

The members of the Management Board and Supervisory Board believe that the diversity concept for the Management Board and Supervisory Board is currently fulfilled.

Annual Shareholders' Meeting

The Annual Shareholders' Meeting is the body which formulates and expresses the interests of the shareholders of United Internet AG. At the ordinary Annual Shareholders' Meeting, the Annual Financial Statements of the parent company and Consolidated Financial Statements are presented to the shareholders. The shareholders decide on the allocation of the unappropriated profit and vote on resolutions concerning other statutory topics, such as releasing the Management Board members from their responsibility for the past fiscal year and appointing external auditors. Each share entitles the owner to one vote. All shareholders who register in time and are listed in the Share Register on the day of the Annual Shareholders' Meeting are entitled to attend. Shareholders may also exercise their rights at the Annual Shareholders' Meeting by means of a proxy vote. The Company provides a proxy who votes according to the shareholder's instructions, providing he receives the required order.

Governance functions

At United Internet AG, governance functions are part of an integrated "GRC" organization which comprises the Corporate Governance, Corporate Risk Management & Internal Control Systems, and Corporate Compliance functions. The Group General Counsel, who reports directly to the Chief Financial Officer (CFO) of United Internet AG, is responsible for all GRC functions. The operational management of the Internal Control System is the responsibility of the Management Board member for Shared Service / HR under the leadership of the Head of Commercial and ICS Service, while the Head of Corporate Audit & ICS Governance within the CFO's area of responsibility is responsible for Internal Control System Governance.

Internal Control System and Risk Management System

To secure the long-term corporate success of the United Internet Group, it is essential to effectively identify and analyze the risks involved in all business activities across the Group and to eliminate or limit them by means of suitable control measures. The Internal Control Management System and Risk Management System ensure that risks are handled responsibly. In particular, they are designed to identify, assess, manage, and monitor risks throughout the Group at an early stage. The systems are continuously refined and adapted to changing circumstances. The Supervisory Board is regularly informed by the Management Board about existing risks and how they are being dealt with, as well as about the effectiveness of the internal controls. The appropriateness and effectiveness of the Internal Control System and the Risk Management System were assessed by the Supervisory Board in its entirety.

The main features of the Internal Control System and the Risk Management System with regard to the accounting process of the Company and the Group are described in detail in the Combined Management Report for the Company and the Group in accordance with sections 289 (4) and 315 (4) HGB. The Management Board also reports there in detail on existing risks and their development.

Compliance

The Management Board of United Internet AG has established a Group-wide risk-oriented Compliance Management System (UI-CMS) to ensure adherence to the legal and internal regulations. In addition to the Head of Corporate Compliance, the heart of this UI-CMS is a segment-based, decentralized Compliance Organization comprising segment compliance managers and corporate compliance managers.

At segment level, the segment compliance managers are responsible for the specific design of the a segment-based CMS. In certain business units, especially in significant subsidiaries of IONOS SE, the compliance organization is supported by local compliance managers and in certain departments, such as HR, by functional compliance managers.

The overarching objective of all compliance activities is to prevent compliance violations. This objective is achieved by taking appropriate measures in line with the United Internet Group's risk situation and in accordance with the three-level approach of "Prevent", "Detect", and "Respond". The main topics are policy management, whistleblower management, the prevention of corruption, compliance monitoring including sanction list screening, and the supply chain compliance management system.

The main elements of the UI-CMS are described in detail in United Internet AG's Sustainability Report.

Financial disclosures / transparency

It is the declared aim of United Internet AG to inform institutional investors, private shareholders, financial analysts, employees, and the public simultaneously and with equal treatment about the Company's situation by means of regular, open, and up-to-date communication.

To this end, all important information, such as press releases, ad-hoc announcements, and other mandatory disclosures (e.g., directors' dealings and notifications of voting rights), as well as all financial reports, are published in accordance with statutory regulations. In addition, United Internet AG provides extensive information on its corporate website (www.united-internet.de), where documents and information on Annual Shareholders' Meetings and other economically relevant facts can be found.

United Internet AG provides shareholders, analysts, and the press with four reports each fiscal year on the Company's business development and its financial and earnings position. The publication dates of these reports are stated in a binding financial calendar, which the Company posts on its website and regularly updates in accordance with legal obligations.

The Management Board also provides immediate information in the form of ad-hoc announcements about any events not known to the public which might significantly affect the share price.

As part of its investor relations activities, the Company's management team regularly meets with analysts and institutional investors. We also hold analyst conferences to announce our semi-annual and annual figures, which investors and analysts can also participate in via telephone.

Accounting and auditing

The United Internet Group’s accounts are drawn up according to the principles of the International Financial Reporting Standards (IFRS, as applicable in the EU) with consideration of section 315e HGB. However, the Annual Financial Statements of the parent company United Internet AG – relevant for all dividend and tax matters – are drawn up according to the rules of the German Commercial Code (HGB). The Annual Financial Statements and the Consolidated Financial Statements are audited by independent auditors. The respective auditing company is selected by the Annual Shareholders' Meeting. The Supervisory Board issues the auditing mandate, determines auditing focal points, approves the auditing fee, and examines the independence of the auditors.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft has audited the Annual Financial Statements of United Internet AG and the Group since the fiscal year 2022. Mr. Erik Hönig and Mr. Christian David Simon are the auditing partners responsible for the fiscal year 2024.

Remuneration of Management Board and Supervisory Board

Remuneration for members of the Management Board and Supervisory Board is presented in a detailed Remuneration Report for the fiscal year 2024 in accordance with section 162 AktG, together with the corresponding Auditor’s Report, and is accessible to the public on the Company’s website at www.united-internet.de/en/investor-relations/publications/reports.html. The Annex to this Remuneration Report contains a detailed description of the current remuneration system in accordance with section 87a (1) and (2) sentence 1 AktG as well as the most recent remuneration resolution adopted by the Annual Shareholders’ Meeting in accordance with section 113 (3) AktG.

Information on Management Board and Supervisory Board remuneration can also be found in the Notes to the Consolidated Financial Statements for the fiscal year 2024 under note 42.

Declaration of conformity with regard to the recommendations of the German Corporate Governance Code in accordance with section 161 German Stock Corporation Act (AktG)

On December 17, 2024, the Management Board and Supervisory Board of United Internet AG submitted their declaration of conformity (presented below) in accordance with section 161 AktG and immediately published it on the Company’s website (www.united-internet.de), as well as in the Federal Gazette (“Bundesanzeiger”).

In accordance with section 161 German Stock Corporation Act (AktG), the Management Board and Supervisory Board of United Internet AG declare that:

The Management Board and Supervisory Board of United Internet AG declare that United Internet AG has complied with the recommendations of the German Corporate Governance Code (“Code”) as last revised on April 28, 2022, which became effective upon publication in the Federal Gazette on June 27, 2022, and on which its last Declaration of Conformity issued on December 19, 2023 was based, with the stated exceptions detailed therein, and will continue to comply with the recommendations of the Code with the following exceptions:

Formation of a nomination committee
(Recommendation D.4)

The Supervisory Board does not form any other committees in addition to the Audit and Risk Committee, but performs all other tasks as a whole. The Supervisory Board considers this to be appropriate, as efficient plenary discussions and an intensive exchange of opinions are possible even with a six-member Supervisory Board. Accordingly, the Supervisory Board sees no need to establish a Nomination Committee.

Remuneration system for members of the Management Board
(Recommendations G.1 to G.5 inclusive of the Code)

With the recommendation to the Annual Shareholders' Meeting in May 2023, the remuneration system became the basis for service agreements with Management Board members. Existing service agreements already correspond to the remuneration system, with the exceptions set out below. The elaborated remuneration system takes into account the recommendations in G.1 to G.5 inclusive without any restrictions.

Management Board remuneration – Long-term variable remuneration
(Recommendation G.10 of the Code)

According to G.10 of the Code, the variable remuneration components granted to members of the Management Board should be awarded primarily in the form of Company stock or on the basis thereof. Moreover, any such grants to members of the Management Board should be subject to a blackout period of four years. Share-based remuneration is awarded in the form of the Stock Appreciation Rights (SARs) plan as a long-term remuneration program for the Management Board. The term of this plan totals six years. Within this period of six years, a Management Board member can exercise a portion (25%) of the SARs awarded at certain points in time — at the earliest, however, after two years. This means that a Management Board member can already obtain a part of the long-term variable remuneration after a period of two years. The total amount of SARs can only be fully exercised for the first time after a period of five years.

The Supervisory Board is of the opinion that this system of long-term remuneration has proven its value and sees no reason to postpone any further the possibility of obtaining remuneration earned under the plan. The Supervisory Board believes that by linking the plan to the share price of United Internet AG and the Company's possibility to issue shares to satisfy entitlements from the plan, Management Board members already participate appropriately in the risks and opportunities of United Internet AG. Since the plan has been designed with a term of six years and the SARs awarded can only be exercised proportionately over this term and at the earliest after two years, the Supervisory Board is of the opinion that the plan is ideally suited to achieving the desired retention and incentive effect in the interest of United Internet AG and that no changes are required.

Management Board remuneration – Benefits on contract termination
(Recommendation G.13 of the Code)

According to G.13 of the Code, any payments made to Management Board members due to early termination of their Management Board activity shall not exceed twice the annual remuneration and shall not constitute remuneration for more than the remaining term of the employment contract. If post-contractual non-compete clauses apply, such severance payments shall be taken into account in the calculation of any compensation payments. The current service agreement of one Management Board member does not include an option to take this into account. This was included in the remuneration system and in future will be taken into account in new service agreements to be concluded with Management Board members (and any related termination agreements).

The Declaration is permanently available to the public on the Company's website at https://www.united-internet.de/en/investor-relations/corporate-governance/declaration-of-conformity/2024.html. All of the Company's Declarations of Conformity in accordance with section 161 AktG since 2008 are also publicly available there.

Montabaur, March 25, 2025

United Internet AG

For the Management Board
Ralph Dommermuth

For the Supervisory Board
Philipp von Bismarck

8. REMUNERATION REPORT

The German Act Implementing the Second Shareholder Rights Directive (ARUG II) transposed Directive (EU) 2017/828 of the European Parliament and of the Council of May 17, 2017 into national law. As a result, new statutory requirements for remuneration reporting were introduced for listed companies, which apply to fiscal years beginning on or after January 1, 2021.

The "new" Remuneration Report has been removed from financial reporting to create a separate report. Significant disclosures which were previously required, in particular individualized reporting on Management Board compensation and the main features of the remuneration system, have been transferred from the (Group) Management Report to the new Remuneration Report in accordance with section 162 of the German Stock Corporation Act (AktG).

The remuneration system and disclosure of compensation for members of the Management Board and Supervisory Board for the fiscal year 2024 pursuant to section 162 AktG can be found in the "Remuneration Report 2024", which is published on the corporate website at www.united-internet.de/en/investor-relations/publications/reports.html.

Disclosures on Management Board and Supervisory Board remuneration are also provided in note 42 of the Notes to the Consolidated Financial Statements.

9. DEPENDENT COMPANY REPORT

In compliance with section 312 (1) AktG, the Management Board declares that the Company received adequate compensation (quid pro quo) for all legal transactions listed in the report on relations with affiliated companies, in accordance with the circumstances known at the time when such transactions were made, and that the Company was not disadvantaged. In the reporting period, no measures were executed or omitted.

Montabaur, March 25, 2025

The Management Board

Ralph Dommermuth   Carsten Theurer   Markus Huhn

ANNUAL FINANCIAL STATEMENTS

BALANCE SHEET

as of December 31, 2024

Assets		December 31, 2024	December 31, 2023
		€k	€k
A. Non-current assets			
I. Intangible Assets			
Concessions, industrial and similar rights and assets, as well as licenses in such rights, and assets acquired for consideration		0	4
		0	**4**
II. Property, plant and equipment			
Concessions, industrial and similar rights and assets, as well as licenses in such rights, and assets acquired for consideration		101	1
III. Financial assets			
1. Shares in affiliated companies	4,502,183		4,132,153
2. Loans to affiliated companies	940,000		700,000
		5,442,183	**4,832,153**
		5,442,283	**4,832,157**
B. Current Assets			
I. Accounts receivable and other assets			
1. Receivables due from affiliated companies	221,961		1,010,617
2. Other assets	32,979		22,709
		254,940	**1,033,326**
II. Cash in hand and bank balances		**79,982**	**83**
		334,922	**1,033,409**
C. Prepaid expenses		**36**	**75**
		5,777,242	**5,865,641**

Equity and liabilities		December 31, 2024	December 31, 2023
		€k	€k
A. Equity			
I. Capital stock (conditional capital: 18,500 €k; prior year: 18,500 €k)	**192,000**		**192,000**
less treasury shares	−19,163		−19,184
		172,837	**172,816**
II. Capital reserve		**470,977**	**470,977**
III. Revenue reserves			
Other revenue reserves	725,304		
		725,304	**724,852**
IV. Balance sheet profit		**1,697,059**	**2,148,719**
		3,066,177	**3,517,364**
B. Accruals			
1. Accrued taxes	6,193		5,024
2. Other accrued liabilities	3,670		2,631
		9,863	**7,655**
C. Liabilities			
1. Liabilities due to bank	2,027,189		1,668,271
2. Trade accounts payable	79		979
3. Liabilities due to affiliated companies	608,083		563,986
4. Other liabilities thereof from taxes 65,850 €k (prior year: 89,820 €k)	65,850		89,820
		2,701,201	**2,323,056**
D. Deferred tax liabilities		**0**	**17,567**
		5,777,242	**5,865,641**

INCOME STATEMENT

from January 1 to December 31, 2024

		2024	2023
	€k	€k	€k
1. Sales	617		1,075
2. Other operating income	6,392		221,350
		7,010	**222,426**
3. Personnel expenses			
a) Wages and salaries	1,028		2,301
b) Social security contributions	38		38
4. Depreciations and amortization of intangible assets and property, plant and equipment	24		24
5. Other operating expenses	15,475		31,280
		16,565	**33,643**
6. Income from profit transfer agreements	112,660		101,890
7. Income from investments thereof from affiliated companies 13,844 €k (prior year: 0 €k)	13,844		0
8. Income from loans in financial assets thereof from affiliated companies 48,992 €k (prior year: 95,822 €k)	48,992		95,822
9. Other intrest and similar income thereof from affiliated companies 37,969 €k (prior year: 41,138 €k)	38,297		42,396
10. Expenses from loss transfer	486,492		19,241
11. Interest and similar expenses thereof to affiliated companies 24,414 €k (prior year: 25,227 €k)	99,949		91,604
		−372,649	**129,263**
12. Taxes on income (prior year: tax expense) thereof income from the change in disclosed deferred taxes 17,567 €k (prior year: 2,860 €k)		16,953	44,061
13. Result after taxes		**−365,251**	**273,985**
14. Other taxes		0	0
15. Net Loss (-)/Net Profit (+)		**−365,251**	**273,985**
16. Profit carried forward		2,062,310	1,876,734
17. Reduction in assets as a result of cancellation of treasury shares		0	−2,000
18. Income from capital reduction		0	2,000
19. Transfer to capital reserve according to §237 (5) of the German Stock Corporation Law (AktG)		0	−2,000
20. Balance sheet profit		**1,697,059**	**2,148,719**

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2024

General provisions

The annual financial statements for the fiscal year 2024 were prepared in accordance with sections 242ff. and sections 264ff. German Commercial Code (HGB), as well as with the respective provisions of the German Stock Corporation Law (AktG).

United Internet AG, Montabaur, is registered under number 5762 in Commercial Register B of the Local Court of Montabaur and is classified as a large corporation pursuant to section 267 (3) HGB due to its capital market orientation.

The annual financial statements are based on the provisions of the German Commercial Code and Stock Corporation Act, as amended.

The income statement is prepared according to the cost summary method.

In order to enhance the clarity of presentation, disclosures on the composition of line items, and in some cases "thereof" references, are included in these Notes.

Reference is made to the fact that consolidated financial statements have been prepared according to International Financial Reporting Standards (IFRS), as applied in the EU, to comply with the listing requirements for the Prime Standard segment of the Frankfurt Stock Exchange and have been disclosed in accordance with section 325 HGB with reference to section 315e HGB.

The Company and its subsidiaries are included in the Consolidated Financial Statements, which are prepared for United Internet AG for the largest and smallest body of undertakings at the same time.

Information about the Company

The business activities of United Internet AG (United Internet) go back to "Eins & Eins EDV Marketing GmbH", which was founded by Mr. Ralph Dommermuth and two other shareholders in 1988. The name of this marketing company was changed to "1&1 EDV Marketing GmbH", before being finally renamed as "1&1 Holding GmbH" in 1993.

United Internet AG was founded on January 29, 1998 as a new holding company for the 1&1 Group, with the name 1&1 Aktiengesellschaft & Co. Kommanditgesellschaft auf Aktien, a partnership limited by shares. The Company was entered into the commercial register at the Local Court of Montabaur against HRB 5762 on February 16, 1998. 1&1 Holding GmbH was subsequently merged into the Company with effect from January 1, 1998.

On March 20, 1998 the Company's shares were admitted to the Regulated Market of the Frankfurt Stock Exchange with a listing in the Neuer Markt segment. The shares were traded for the first time on March 23, 1998.

The extraordinary shareholders' meeting on February 22, 2000 adopted a resolution to change the name of the Company to United Internet Aktiengesellschaft & Co. KGaA. The new name was entered in the commercial register on February 23, 2000.

The change of legal form to a stock corporation by the name of United Internet AG, also decided on February 22, 2000, was entered in the commercial register on March 23, 2000.

Purpose of the Company

The purpose of the Company is to provide marketing, selling, and other services, especially in the fields of telecommunications, information technology, including the internet, and data processing, or related areas. The Company's purpose also includes the acquisition, holding, and management of investments in other companies, especially those operative in the aforementioned business segments. The Company is entitled to bring companies in which it holds an investment under its common control and may restrict itself to the management or administration of its investments.

The Company is authorized to acquire or hold investments in all types of companies in Germany and other countries and to transact all business that is conducive to its purpose. The Company is also authorized to conduct its business through subsidiaries, associated companies, and joint ventures. It may outsource or transfer all or part of its operations to affiliated companies.

Management and representation of the Company

The Company's Management Board manages and represents the Company. According to its by-laws, the Management Board has one or more members, the number of which is determined by the Supervisory Board. If the Management Board has only one member, the Company is represented by this person. If it has more than one member, the Company is represented by two members of the Management Board or by one member of the Management Board collectively with a person holding power of attorney; however, the Supervisory Board may authorize particular members of the Management Board to represent the Company on their own.

Accounting and valuation methods

Unless stated otherwise, all figures are stated in thousand euro (€k).

Due to calculation processes, tables and references may produce rounding differences from the mathematically exact values (monetary units, percentage statements, etc.).

The following accounting and valuation methods continued to be used in the preparation of the annual financial statements.

Property, plant and equipment are measured at acquisition or production cost in accordance with section 253 (1) sentence 1 HGB.

All items of property, plant and equipment are written down over their expected useful life. If the fair value of an individual non-current asset falls below its carrying amount, an additional impairment loss is recognized if the impairment is expected to be permanent. If the reasons for the impairment no longer apply in part or in full in subsequent years, the impairment loss is reversed to the extent of the actual increase in value, but no more than the value that would have resulted if the impairment had not been recognized.

The depreciation methods and useful lives applied are shown in the following overview:

Property, plant and equipment	Method of depreciation / useful life
■ Vehicles	Straight-line, 6 years
■ Operating equipment	Straight-line, 2 – 13 years
■ Low-value assets	See below

These are summarized in the balance sheet and in the statement of changes in non-current assets under "Other equipment, operational and office equipment".

When used assets are acquired, the remaining useful life is determined and the above useful life is adjusted accordingly.

With regard to the accounting of low-value assets, the tax regulation of section 6 (2) of the German Income Tax Act (EStG) has been applied under commercial law since January 1, 2013. Acquisition or production costs of depreciable movable assets that are capable of independent use are recognized in full as an expense in the financial year of acquisition, production or contribution if the acquisition or production costs, less any input tax included, do not exceed € 250 for the individual asset.

Scheduled depreciation on additions to fixed assets is recognized pro rata temporis.

Shares in affiliated companies disclosed under **financial assets** are reported at the lower of cost or – in the case of expected permanent impairment – market value, while loans are always stated at the lower of nominal or – in the case of expected permanent impairment – market value.

Receivables, other assets, and liquid funds are stated at nominal value. To the extent that allowances are required for existing receivables, these are taken into account as appropriate. Receivables from and liabilities to affiliated companies are netted for each company, insofar as netting is permitted pursuant to section 387 et seq. German Civil Code (BGB).

Tax accruals and **other accruals** consider all contingent liabilities, recognizable risks, and impending losses. They are carried at the expected settlement amount computed in accordance with prudent commercial practice (i.e., including future cost and price increases). Accruals with a remaining term of more than one year are discounted.

Share-based payments - Stock Appreciation Rights (SAR United Internet)

Stock Appreciation Right (SARs) refer to the Company's commitment to pay the beneficiary a cash amount equivalent to the difference between the share price on the date of granting the option (strike price) and as a rule the share price on exercising the option. An SAR corresponds to a virtual subscription right for one share of United Internet AG. However, it is not a share right and thus not a (genuine) option to acquire shares of United Internet AG. The Company retains the right, however, to fulfill its commitment to pay the SAR in cash by also transferring United Internet shares from its inventory of treasury shares to the beneficiary, at its own discretion.

SARs are measured at the settlement amount, which is determined on the basis of the best possible estimate of future utilization as of the balance sheet date. The fair value of the options issued is determined at the grant date using a suitable option price model. This amount is then recognized as a remuneration expense over the period during which the beneficiaries acquire an unrestricted claim to the instruments. The claim that has already been earned and recognized as an accrual is remeasured at the end of each reporting period.

Liabilities are stated at their settlement amount. Receivables from and liabilities to affiliated companies are netted for each company, insofar as netting is permitted pursuant to section 387 et seq. German Civil Code (BGB).

Deferred taxes are calculated due to temporary or quasi-permanent differences between the commercial law valuation of assets, liabilities, and prepaid expenses and their tax valuation, or due to tax loss carryforwards. They are measured using the Company's individual tax rates at the point in time when the differences reverse. The amounts of the resulting tax burden or relief are not discounted. Deferred tax assets and liabilities are netted.

Transactions in foreign currencies are recognized at the historical exchange rate at the time of initial measurement. **Assets and liabilities denominated in foreign currencies** are translated at the average spot rate on the balance sheet date. In the case of remaining terms of over one year, the realization principle (section 252 (1) number 4 half-sentence 2 HGB) and the acquisition cost principle (section 253 (1) sentence 1 HGB) are applied. The "thereof-currency-translation" comments stated in the Notes include both recognized and unrecognized exchange rate differences.

Notes to balance sheet items

NON-CURRENT ASSETS

Reference is made to the non-current asset movement schedule (Exhibit 1 of the Notes) for the classification and development of non-current assets and disclosure of depreciation and amortization in the fiscal year.

Financial assets

Information on the equity situation and results of operations of the affiliated companies, stating the respective shareholding, is included in the list of shareholdings (Exhibit 2 of the Notes).

The change in shares in affiliated companies is mainly due to a payment of € 370,000k into the capital reserve of 1&1 Versatel GmbH in accordance with section 272 (2) no. 4 HGB, without any consideration on the part of 1&1 Versatel GmbH.

As of December 31, 2023, United Internet AG held 100% of shares in 1&1 Versatel GmbH. As part of an internal reorganization, all shares in 1&1 Versatel GmbH were transferred to United Internet Management Holding SE (UIMH), also a wholly owned subsidiary of United Internet AG. The transfer was made in accordance with a contribution and transfer agreement as of August 31, 2024. The contribution was made in accordance with section 21 (1) sentence 2 of the German Transformation Tax Act (UmwStG) as part of a qualified share swap at book value. In the process, UIMH's share capital was increased by € 80k from € 120k to € 200k through the issue of 80,000 new no-par-value shares. On November 19, 2024, a profit and loss transfer agreement was concluded between 1&1 Versatel GmbH and UIMH as the controlling company.

The change in loans in fiscal year 2024 results from payments to the subsidiary 1&1 Versatel GmbH totaling € 825,000k and from opposing repayments by the subsidiaries 1&1 Versatel GmbH amounting to € 405,000k and IONOS Group SE amounting to € 180,000k.

CURRENT ASSETS

Receivables and other assets

The classification and maturities of receivables and other assets are shown in the following table:

€k	December 31, 2024	December 31, 2024			December 31, 2023
	Total	Remaining term			Total
		up to 1 year	of 1 to 5 years	over 5 years	
Accounts receivable from affiliated companies	221,961	221,961	0	0	1,010,617
Other assets	32,979	32,979	0	0	22,709
	254,940	**254,940**	**0**	**0**	**1,033,326**

Receivables and other assets in the previous year also had a remaining term of up to one year.

Receivables from affiliated companies amount to € 221,961k (prior year: € 1,010,617k) and mainly comprise receivables from cash management within the United Internet Group amounting to € 500,124k (prior year: € 973,317k) and from sales tax grouping amounting to € 59,024k (prior year: € 54,786k).

These were largely offset by liabilities to affiliated companies from profit and loss transfer agreements amounting to € 335,008k (prior year: € 16,187k) and from intra-group service relationships amounting to € 1,721k (prior year: € 1,040k). The decrease in receivables from affiliated companies is mainly due to a decline in cash management receivables from the subsidiary 1&1 Versatel GmbH, caused by the transition to long-term financing. The increase in liabilities to affiliated companies from profit and loss transfer agreements mainly results from the loss of United Internet Investments Holding AG & Co. KG (UIIH), which is primarily attributable to the loss from dilution of its stake in Kublai GmbH in fiscal year 2024 from 40% to around 5% as of the date of the capital increase in the first quarter of 2024. For further details, please refer to the comments on expenses from loss transfers.

Other assets of € 32,979k (prior year: € 22,709k) consist mostly of income tax receivables and interest on refunds amounting to € 32,481k (prior year: € 22,282k). This amount includes receivables from the tax authorities for the fiscal year 2024 of € 17,867k (prior year: € 6,215k), as well as the related interest on refunds from local authorities that have not yet been assessed of € 0k (prior year: € 456k). They also comprise expected tax refunds and interest on refunds amounting to € 13,278k (prior year: € 13,129k) for the year 2009 in connection with pending tax court proceedings.

Cash in hand and bank balances

As of the balance sheet date, the Company held bank balances of € 79,982k (prior year: € 0.1k). The increase as of the balance sheet date is mainly due to a call money investment of € 73,000k for the investment of liquid funds available at short notice.

EQUITY

The Company has the legal form of a stock corporation ("Aktiengesellschaft").

Capital stock and shares

As of December 31, 2024, the fully paid-in capital stock amounted to € 192,000k (prior year: € 192,000k), divided into 192,000,000 registered no-par shares with a theoretical share in the capital stock of € 1.00 each.

As at December 31, 2024, the Company held 19,162,689 treasury shares (prior year: 19,183,705 treasury shares), which in accordance with section 272 (1)a HGB are deducted from capital stock on the face of the balance sheet. The change compared to the previous year results from the issuance of treasury shares as part of share-based payments.

Authorized capital

The Management Board is authorized, subject to the approval of the Supervisory Board, to increase the capital stock in the period ending August 31, 2026, by a maximum of € 75,000k by issuing on one or more occasions new no-par shares for cash and/or non-cash contributions (Authorized Capital 2023). In the case of cash contributions, the new shares may – at the option of the Management Board – also be underwritten, subject to the approval of the Supervisory Board, by one or several credit institutions and/or any other company fulfilling the requirements of section 186 (5) sentence 1 AktG subject to the obligation to offer the shares only to the shareholders for subscription (indirect subscription rights).

Shareholders are to be granted subscription rights with the following restrictions. The Management Board is authorized, subject to the approval of the Supervisory Board, to exclude the right to subscribe in the case of fractional amounts and also to exclude subscription rights to the extent that this should be necessary in order to grant subscription rights for new shares to bearers of warrants and convertible bonds issued by the Company or its subsidiaries in the amount to which they would be entitled on exercise of their warrant or conversion rights or fulfillment of their conversion obligation.

Furthermore, in the event of a capital increase in return for cash contributions, the Management Board is authorized to exclude, subject to the approval of the Supervisory Board, shareholders' subscription rights for an amount of up to 10% of the capital stock existing at the time Authorized Capital 2023 becomes effective or – if this amount is lower – at the time the resolution to use Authorized Capital 2023 is adopted if the new shares are issued at an issuance price which is not substantially below the market price of those Company shares already listed at the time of the final determination of the issuance price, which is to be as near in time as possible to the share issue date. This maximum amount includes any shares that are issued or to be issued under bonds with warrants or convertible bonds provided that the bonds are issued during the term of this authorization in analogous application of section 186 (3) sentence 4 AktG with subscription rights excluded; also, the amount must take into account any shares that are issued or sold during the term of this authorization pursuant to or in analogous application of section 186 (3) sentence 4 AktG.

The Management Board is further authorized, subject to the approval of the Supervisory Board, to exclude shareholders' subscription rights in the case of capital increases in return for non-cash contribution in order to grant shares for the purpose of acquiring companies, parts of companies, interests in companies or other assets, including rights and receivables, or as part of business combinations.

The above mentioned authorizations to exclude subscription rights are limited in total to an amount of up to 20% of the capital stock existing at the time Authorized Capital 2023 becomes effective or – if this amount is lower – at the time the resolution to use Authorized Capital 2023 is adopted. This maximum amount of 20% of the capital stock includes the proportionate share of capital stock attributable to shares that are subject to conversion and/or warrant rights or conversion obligations under bonds that are issued with warrant and/or conversion rights or conversion obligations during the term of this authorization with subscription rights excluded, as well as the proportionate share of capital stock attributable to treasury shares sold or used during the term of this authorization in a manner other than via the stock exchange or by means of an offer to all shareholders.

The Management Board is further authorized, subject to the approval of the Supervisory Board, to determine the further details of the capital increase and its execution.

Conditional capital

Capital stock is conditionally increased by up to € 18,500k, divided into up to 18,500,000 no-par value registered shares (Conditional Capital 2023). The conditional capital increase shall only be implemented to the extent that the bearers or holders of warrant rights or conversion rights or obligations from bonds with warrants or convertible bonds that have been issued or guaranteed by the Company or a subordinated Group company in the period ending August 31, 2026, on the basis of the Management Board's authorization resolved by the Annual Shareholders' Meeting of May 17, 2023, exercise their warrant or conversion rights or, to the extent that they are obligated to convert their bonds, fulfill their obligation, or to the extent that the Company exercises a right to grant shares in the Company, instead of paying the cash amount due (or parts thereof), and to the extent that cash compensation is not granted or treasury shares or shares in another listed company are not used to service bonds. The new shares shall be issued at the warrant or conversion price to be determined in accordance with the above authorizing resolution. The new shares shall participate in profits from the beginning of the fiscal year in which they are created; to the extent that it is legally permissible, the Management Board may, with the approval of the Supervisory Board, determine the profit participation of new shares and, notwithstanding section 60 (2) AktG, also for a fiscal year already expired. The Management Board is authorized, subject to the approval of the Supervisory Board, to determine the further details concerning the execution of the conditional capital increase.

Authorization of Annual Shareholders' Meeting to acquire treasury shares

In accordance with section 71 (1) number 8 AktG and subject to the approval of the Supervisory Board, the Management Board is authorized to acquire treasury shares for every permissible purpose, within the scope of legal restrictions and subject to the provisions set out under agenda item 11 of the Annual Shareholders' Meeting of May 17, 2023, during the period September 1, 2023 to August 31, 2026. This authorization is limited to a total share of 10% of the capital stock existing at the time the Annual Shareholders’ Meeting adopted the resolution or – if this amount is lower – at the time the authorization is exercised. Treasury shares may be used for all purposes specified in the authorization of the respective Annual Shareholders' Meeting, in particular for existing and future employee stock ownership plans and / or as acquisition currency, but may also be canceled.

Total shareholders' equity developed as follows:

Capital stock		€k
Capital stock - December 31, 2023		192,000
Open deduction of treasury shares acc. to section 272 (1)a HGB December 31, 2023	–19,184	
Issue of treasury shares related to share-based compensation	21	
Open deduction of treasury shares acc. to section 272 (1)a HGB December 31, 2024		–19,163
Balance as of December 31, 2024		**172,837**
Capital reserves		
Balance as of December 31, 2023		470,977
Balance as of December 31, 2024		**470,977**
Other revenue reserves		
Balance as of December 31, 2023		724,852
Purchase of treasury shares	0	
Issue of treasury shares related to share-based compensation	452	
Balance as of December 31, 2024		**725,304**
Net profit for the year		
Balance as of December 31, 2023		2,148,719
Dividend payments	–86,408	
Net loss for the year	–365,251	
Balance as of December 31, 2024		**1,697,059**
Total shareholders' equity		**3,066,177**

Treasury shares are treated in the same way as a capital reduction. The nominal amount is deducted from subscribed capital on the face of the balance sheet and the difference is offset with other revenue reserves. The nominal value of shares held on the balance sheet date December 31, 2024, amounting to € 19,163k, was therefore deducted from capital stock and disclosed in a sub-column on the face of the balance sheet.

At the Annual Shareholders' Meeting of United Internet AG held on May 17, 2024, the proposal of the Management Board and Supervisory Board to pay a dividend of € 0.50 per share (prior year: € 0.50) for the fiscal year 2023, was approved. As a consequence, a total of € 86,408k (prior year: € 86,408k) was distributed on May 23, 2024.

As of the reporting date, the unappropriated profit amounts to € 1,697,059k. The unappropriated profit contains a carryforward from the previous year of € 2,148,719k. Following the dividend paid for the fiscal year 2023, this amount was reduced to € 2,062,310k.

For the fiscal year 2024, the Management Board has proposed to the Supervisory Board the payment of a dividend of € 1.90 (see Dividend Proposal) per share. The Management Board and Supervisory Board will discuss this dividend proposal at the Supervisory Board meeting on March 25, 2025. According to section 21 of the by-laws of United Internet AG, the Annual Shareholders' Meeting decides on the allocation of the unappropriated profit.

Pursuant to section 71b AktG, the Company does not accrue any rights from treasury shares and thus has no pro-rated dividend rights.

Treasury shares

As of December 31, 2024 the Company held 19,162,689 treasury shares, representing 9.98% of the capital stock of 192,000,000 shares. Treasury share account for € 19,162,689.00 of capital stock. The average purchase cost per share amounted to € 23.97.

The following table shows the development of the Company's stock of treasury shares:

Year	Transaction	Number of shares	Amount of share capital (€)
2019	Purchase	4,338,513	4,338,513
2020	Purchase	430,624	430,624
2021	Purchase	514,972	514,972
2023	Purchase	13,899,596	13,899,596
2024	Issue of treasury shares related to share-based compensation	–21,016	–21,016
Total		**19,162,689**	**19,162,689**

All purchases of treasury shares were based on the authorization of the Annual Shareholders' Meeting valid at the time of the purchase, to buy back shares up to 10% of the Company's capital stock. Treasury shares may be used for any purpose authorized by the Annual Shareholders' Meeting or may be canceled.

In fiscal year 2024, a total of 75,000 SARs were exercised with a total strike price of € 463k. They were fully settled with treasury shares, resulting in the issue of 21,016 treasury shares. This corresponds to € 21k or 0.01% of the capital stock.

ACCRUALS

As of December 31, 2024, tax accruals amounted to € 6,193k (prior year: € 5,024k) and mainly comprise expected arrears for sales tax of € 3,623k (prior year: € 2,382k), for trade tax of € 1,143k (prior year: € 1,160k), and for corporation tax of € 916k (prior year: € 933k). Moreover, tax accruals relate to interest on taxes of € 460k (prior year: € 498k), and the solidarity surcharge of € 51k (prior year: € 51k).

Other accrued liabilities of € 3,670k (prior year: € 2,631k) contain appropriate accruals formed for all foreseeable liabilities whose amount and nature are uncertain, including for legal, auditing and consulting fees of € 2,170k (prior year: € 441k), Supervisory Board remuneration of € 522k (prior year: € 525k), and outstanding invoices of € 86k (prior year: € 325k). They also include accruals for bonuses of € 250k (prior year: € 188k), share-based remuneration of € 53k (prior year: € 676k), and other items of € 589k (prior year: € 476k). The lower amount of accruals formed for legal, auditing and consulting fees in the previous year was due to netting of payments made during the year. The decrease in accruals for share-based remuneration results mainly from the exercise of 75,000 SARs in the fiscal year 2024 and the expiry of 150,000 SARs due to the departure of Mr. Hartings as of March 31, 2025.

LIABILITIES

The classification and maturities of the liabilities are shown in the following table:

€k	December 31, 2024	December 31, 2024			December 31, 2023		
	Total	Remaining term			Total	Remaining term	
		up to 1 year	of 1 to 5 years	over 5 years		up to 1 year	over 1 year
Liabilities due to banks	2,027,189	360,189	1,627,500	39,500	1,668,271	581,271	1,087,000
Trade accounts payable	79	79	0	0	979	979	0
Liabilities due to affiliated companies	608,083	608,083	0	0	563,986	563,986	0
Other liabilities thereof for taxes € 65,850k (prior year: € 89,820 k)	65,850	65,850	0	0	89,820	89,820	0
	2,701,201	**1,034,201**	**1,627,500**	**39,500**	**2,323,056**	**1,236,056**	**1,087,000**

As of December 31, 2024, bank liabilities amounted to € 2,027,189k (prior year: € 1,668,271k). They mainly comprise four promissory note loans totaling € 1,217,000k (prior year: € 1,162,000k), various syndicated loans totaling € 700,000k (prior year: € 150,000k), credit facilities of € 94,000k (prior year: € 294,797k), bilateral loan agreements of € 0k (prior year: € 50,000k), and interest of € 16,189k (prior year: € 11,474k).

In the fiscal year 2024, United Internet AG successfully placed a promissory note loan ("Schuldscheindarlehen") – as in the years 2017, 2021, and 2023 – with an amount of € 280,000k. Moreover, two promissory note loan tranches totaling € 225,000k were redeemed on schedule in the fiscal year 2024. At the end of the reporting period on December 31, 2024, total liabilities from the promissory note loans 2017, 2021, 2023, and 2024 with maximum terms until April 2031 therefore amounted to € 1,217,000k (prior year: € 1,162,000k).

In December 2024, United Internet AG successfully refinanced its revolving syndicated loan facility with its core banks. The facility was increased from € 810,000k (term until January 2025) to € 950,000k (term until December 2029). The loan has a variable interest rate with the option to choose the 1-, 3- or 6-month EURIBOR rate, and contains contractually guaranteed extension options. As of the balance sheet date, € 150,000k had been drawn and thus funds of € 800,000k were still available to be drawn. In addition, a syndicated loan of € 550,000k was agreed, which will fall due in December 2027. This loan also has a variable interest rate with the option to choose the 3- or 6-month EURIBOR rate. As of the balance sheet date, this loan had been drawn in full (€ 550,000k; previous year: € 0k).

Furthermore, United Internet AG and Japan Bank for International Cooperation (JBIC) signed a loan agreement in December 2024 for up to € 800,000k. The funds will be provided by one direct tranche from JBIC, which is wholly owned by the Japanese government, and one tranche from a consortium of European and Japanese commercial banks guaranteed by JBIC. This loan also has a variable interest rate pegged to the six-month EURIBOR. The funds from this loan are earmarked for subsidiary 1&1's development of a 5G network based on Open RAN technology in Germany. As of the balance sheet date, this loan had not been drawn down and the full amount of € 800,000k (prior year: € 0k) was thus still available.

Existing bilateral credit facilities of € 294,000k (prior year: € 475,000k) are available to United Internet AG. These facilities have been granted until further notice and bear interest at market rates. United Internet AG is the sole borrower of these facilities. Drawings of € 94,000k (prior year: € 294,797k) had been made from the credit facilities as at the end of the reporting period.

No collateral was provided for any of the loans.

Liabilities to affiliated companies amount to € 608,083k (prior year: € 563,986k) and mainly consist of liabilities from United Internet Group cash management amounting to € 571,843k (prior year: € 644,528k), liabilities to affiliated companies from profit and loss transfer agreements of € 38,824k (prior year: receivables from affiliated companies from profit and loss transfer agreements of € 98,836k), and liabilities from sales tax grouping of € 4,643k (prior year: € 17,940k). There was an opposing effect from the dividend receivable from 1&1 AG for fiscal year 2024 of € 6,922k (prior year: € 0k) due to same-period profit recognition, and receivables from intercompany services of € 174k (prior year: € 0k). The change in liabilities to affiliated companies from profit and loss transfer agreements mainly results from the increase in the loss of United Internet Management Holding SE due to the assumption of the loss of 1&1 Versatel GmbH as a result of the profit and loss transfer agreement concluded in fiscal year 2024.

Other liabilities mainly comprise sales tax liabilities of € 65,831k (prior year: € 89,619k), as well as wage and church tax to be remitted of € 20k (prior year: € 201k). The decline in sales tax liabilities resulted mainly from the special prepayment made in fiscal year 2024 at the level of United Internet AG, which was necessitated by the expansion of the sales tax group in fiscal year 2023.

DEFERRED TAXES

Due to existing direct and indirect tax pooling, the measurement of deferred taxes is made across the entire tax pooling group of United Internet AG.

In the reporting period, there was a positive balance of deferred taxes of € 296k as of December 31, 2024 (previous year: negative balance of € 17,567k). Deferred tax assets totaling € 24,002k (prior year: € 3,964k) as of the balance sheet date include an amount of € 14,634k from the future usability of tax loss carryforwards and from deductible temporary differences relating to intangible assets and accruals.

Deferred tax liabilities in the reporting period result from temporary differences relating to valuation differences between the trade and tax balance sheets, especially from investments and intangible assets, and amount to € 23,706k (prior year: € 21,531k). The capitalization of the surplus of deferred tax assets is omitted in the exercise of the existing option to capitalize. The calculation is based on a tax rate of 31.37% (prior year: 31.42%).

Notes to the income statement

SALES

Sales of € 617k (prior year: € 1,075k) mainly comprise revenue from internal service charges.

OTHER OPERATING INCOME

Other operating income amounts to € 6,392k (prior year: € 221,350k). It mainly results from income from the disposal of financial assets totaling € 5,572k (prior year: € 219,059k), which stem from conditional purchase price receivables of United Internet AG from the IONOS co-shareholder Warburg Pincus from the sale of shares in IONOS Group SE for shares disposed of in previous years. In the previous year, income from the disposal of financial assets was mainly attributable to the sale of shares during the IPO of Group subsidiary IONOS Group SE. In addition, other operating income includes non-period income of € 451k (prior year: € 1,685k), including income from the reversal of accruals of € 236k (prior year: € 1,496k), as well as income from internal Group charges of € 281k (prior year: € 603k). As the Company does not carry out any significant transactions in foreign currencies, no significant income arises from the conversion of foreign currencies.

PERSONNEL EXPENSES

Personnel expenses for the reporting period amounted to € 1,066k (prior year: € 2,339k). The decrease is mainly due to one-off expenses of € 1,250k in the fiscal year 2023 in connection with the departure of a Management Board member.

OTHER OPERATING EXPENSES

Other operating expenses mainly result from the invoicing of services rendered by the Group company United Internet Corporate Services GmbH to United Internet AG for internal services amounting to € 6,398k (prior year: € 5,717k), as well as other internal Group charges of € 281k (prior year: € 603k). In addition, other operating expenses include expenses for legal, consulting and audit fees of € 5,423k (prior year: € 10,135k), non-period expenses of € 1,317k (prior year: € 8,927k), and further other operating expenses of € 236k (prior year: € 3,209k). The decrease in non-period expenses and further other operating expenses is mainly due to costs for the IPO of Group subsidiary IONOS Group SE in the fiscal year 2023. As the Company does not carry out any significant transactions in foreign currencies, no significant expenses arise from the conversion of foreign currencies.

INCOME FROM PROFIT TRANSFER AGREEMENTS

Income from profit transfer agreements of € 112,660k (prior year: € 101,890k) refers to the profit transfers of 1&1 Mail & Media Applications SE amounting to € 109,972k (prior year: € 98,916k), of United Internet Corporate Services GmbH amounting to € 2,536k (prior year: € 2,844k), and of United Internet Service SE amounting to € 152k (prior year: € 130k).

INCOME FROM INVESTMENTS

Income from investments of € 13,844k (prior year: € 0k) mainly includes dividends of 1&1 AG for the fiscal year 2023 as well as the dividend for the fiscal year 2024 due to same-period profit recognition. Due to same-period profit recognition for the fiscal year 2022 in the fiscal year 2022, there was no income from investments in the previous year.

OTHER INTEREST AND SIMILAR INCOME

In addition to interest income from affiliated companies, other interest and similar income includes interest income from various bank deposits, as well as interest granted on the balances of various bank accounts amounting to € 27k (prior year: € 1,051k). The decrease in fiscal year 2024 is mainly due to a one-off effect from a call money investment in the previous year. In addition, this item includes interest income from taxes of € 301k (prior year: € 207k). This mainly relates to expected interest on refunds from the tax authorities.

INTEREST AND SIMILAR EXPENSES

In addition to interest expenses due to affiliated companies, the item interest and similar expenses includes interest and similar expenses due to banks of € 75,042k (prior year: € 65,777k). The year-on-year change is mainly due to the increase in bank liabilities. In addition, the item includes interest on taxes of € 459k (prior year: € 600k). This mainly relates to interest on arrears due to the tax authorities.

EXPENSES FOR LOSS ASSUMPTIONS

Expenses for loss assumptions of € 486,492k (prior year: € 19,241k) comprise the compensation expense for United Internet Investments Holding AG & Co. KG (UIIH) of € 337,696k (prior year: € 19,160k), for United Internet Management Holding SE (UIMH) of € 148,762k (prior year: € 40k), and for United Internet Corporate Holding SE of € 34k (prior year: € 41k).

The year-on-year increase in UIIH's loss is mainly due to the decline in its stake in Kublai GmbH from 40% as of December 31, 2023 to around 5% as of September 30, 2024.

United Internet AG holds an indirect stake in Kublai GmbH. On June 14, 2024, United Internet AG announced that it would make no further investments in Kublai GmbH, which holds 95.39% of shares in Tele Columbus AG. United Internet therefore waived the right to increase its stake in Kublai to 40% again after it was diluted to around 5% in the course of a capital increase in the first quarter of 2024. Against this backdrop, a loss of € 316,046k from the dilution of shares in Kublai was recognized in the annual financial statements of UIIH as of December 31, 2024.

United Internet is convinced that the valuation of Tele Columbus AG on which the capital increase was based is far too low and thus that the dilution of the shares held by United Internet is too extensive. However, the voting majority of MSI (Morgan Stanley Infrastructure Inc.) at the shareholders' meeting enabled it to conduct the capital increase on the basis of a valuation determined by MSI.

United Internet has already indirectly initiated the contractually agreed anti-dilution proceedings via UIIH and submitted the valuation performed by MSI to a court of arbitration for review. If the court agrees with United Internet's assessment and confirms the valuation conducted prior to the capital increase, UIIH may be awarded compensation of approximately € 300m, which would be transferred to United Internet AG via the existing profit and loss transfer agreement. If the court reaches a different conclusion, the awarded claim or compensation amount could be correspondingly lower. The accounting requirements for recognizing a possible compensation amount in profit or loss have not yet been met (contingent receivable).

The year-on-year increase in the loss of UIMH is mainly due to the assumption of the loss of 1&1 Versatel GmbH as a result of the profit and loss transfer agreement concluded in fiscal year 2024.

INCOME TAXES

The rules on global minimum taxation (Pillar Two) have applied to the United Internet Group since January 1, 2024. A comprehensive analysis of the financial figures for the current fiscal year shows that, as things stand, no country within the Group qualifies as a low-tax country for Pillar Two purposes. Consequently, no additional tax liability is expected in fiscal year 2024.

Income taxes amount to a tax income of € 16,953k (prior year: tax expense of € 44,061k). These comprise tax expenses for the fiscal year 2024 of € 0k (prior year: € 44,016k) and income tax expenses for previous years of € 614k (prior year: € 45k). These tax expenses were opposed by tax income of € 17,567k from deferred tax liabilities. The change in income taxes is mainly due to the integration of 1&1 Versatel GmbH into the Company's tax group and offsetting against its losses.

Other disclosures

Average number of employees

An average of 3 (prior year: 3) permanent salaried staff were employed in the past fiscal year (without Management Board members, apprentices, part-time staff, and employees on maternity leave).

Executive bodies of United Internet AG

As of December 31, 2024, the **Management Board** consisted of the following members:

- Ralph Dommermuth, CEO
- Ralf Hartings, CFO (until December 31, 2024)
- Markus Huhn, Management Board member responsible for Shared Services

In fiscal year 2024, the members of the Management Board also served on the supervisory boards of the following companies:

Ralph Dommermuth

- 1&1 Mail & Media Applications SE, Montabaur, member of the supervisory board
- 1&1 Telecommunication SE, Montabaur, member of the supervisory board
- 1&1 Versatel GmbH, Düsseldorf, chair of the advisory committee
- IONOS Group SE, Montabaur, chair of the supervisory board
- IONOS Holding SE, Montabaur, member of the supervisory board
- Kublai GmbH, member of the advisory committee (until November 6, 2024)

Ralf Hartings

- 1&1 Mail & Media Applications SE, deputy chair of the supervisory board
- 1&1 Telecommunication SE, chair of the supervisory board
- 1&1 Versatel Deutschland GmbH, deputy chair of the supervisory board
- 1&1 Versatel GmbH, deputy chair of the advisory committee
- IONOS Holding SE, chair of the supervisory board
- AWIN AG, member of the supervisory board
- Kublai GmbH, deputy chair of the advisory committee (until November 6, 2024)
- Tele Columbus AG, deputy chair of the supervisory board (until June 26, 2024)

Markus Huhn

- No other mandates

As of January 1, 2025, Mr. **Carsten Theurer** was appointed as the new Chief Financial Officer (CFO) of the Company. Mr. Theuer has already taken over the following mandates from Mr. Ralf Hartings:

- 1&1 Mail & Media Applications SE, deputy chair of the supervisory board (since January 16, 2025)
- 1&1 Telecommunication SE, chair of the supervisory board (since January 16, 2025)
- 1&1 Versatel Deutschland GmbH, deputy chair of the supervisory board (since January 16, 2025)
- 1&1 Versatel GmbH, deputy chair of the advisory committee (since January 16, 2025)
- IONOS Holding SE, chair of the supervisory board (since January 16, 2025)
- AWIN AG, member of the supervisory board (since January 29, 2025)

In the fiscal year 2024, the **Supervisory Board** of United Internet AG comprised the following members:

- Philipp von Bismarck, Chairman of the Supervisory Board
  Self-employed lawyer and Managing Partner at Digital Transformation Capital Partners GmbH
- Dr. Manuel Cubero del Castillo-Olivares, Deputy Chairman of the Supervisory Board
  Self-employed advisory committee/supervisory board member
- Prof. Dr. Andreas Söffing (until July 4, 2024)
  Partner at Flick Gocke Schaumburg
- Stefan Rasch
  Senior Advisor at The Boston Consulting Group GmbH
- Prof. Dr. Yasmin Mei-Yee Weiss
  Professor of business administration at the Technical University of Nuremberg
- Prof. Dr. Franca Ruhwedel
  Professor for Finance & Accounting at Rhine-Waal University of Applied Sciences, Kamp-Lintfort

In fiscal year 2024, the members of the Supervisory Board also held seats on supervisory boards or similar domestic and foreign committees of the following companies:

Philipp von Bismarck

- maincubes Holding & Service GmbH, Frankfurt am Main, member of the advisory committee
- Asteria TopCo B.V., Amsterdam, Netherlands, chair of the advisory committee
- Greenscale Data Centres Ltd., London, United Kingdom, member of the advisory committee

Dr. Manuel Cubero del Castillo-Olivares

- Nürnberg Institut für Marktentscheidung e.V., Nuremberg (chair)
- Tele Columbus AG, Berlin (February to June 2024)
- Semper idem Underberg AG (chair, since July 2024)

Prof. Dr. Andreas Söffing (until the end of his membership of the Supervisory Board on July 4, 2024)

- Deutsche Oppenheim Family Office AG, Cologne (deputy chair of the advisory committee)
- Institut der Steuerberater Hessen e. V., Frankfurt (deputy chair of the scientific committee)
- Nemetschek SE, Munich
- Nemetschek Innovationsstiftung, Munich (chair of the management board)
- Nemetschek Familienstiftung, Munich
- Capella GmbH, Hamburg

Stefan Rasch

- Fond Of Group Holding GmbH, Cologne

Prof. Dr. Yasmin Mei-Yee Weiss

- Zeppelin GmbH, Friedrichshafen
- Bayerische Beamten Lebensversicherung AG, Munich
- BLG Logistics Group AG & Co. KG, Bremen
- Börsenverein des deutschen Buchhandels, Frankfurt am Main

Prof. Dr. Franca Ruhwedel

- thyssenkrupp nucera AG & Co. KGaA, Dortmund
- NATIONAL-BANK Aktiengesellschaft, Essen
- Verve Group SE, Stockholm (formerly MGI - Media and Games Invest SE) (non-executive board member)

Remuneration of the Management Board and Supervisory Board

Total remuneration of the **Management Board** members amounted to € 854k in the fiscal year 2024 (prior year:€ 4,252k). The prior-year figure includes the fair value of the SAR plan (300,000 SARs) as at the grant date amounting to € 2,118k.

No new SARs were granted to the Management Board in the fiscal year 2024.

As agreed with the Company's Supervisory Board, Mr. Ralph Dommermuth has waived his claim to Management Board remuneration since the fiscal year 2016.

There are no retirement benefits from the Company to members of the Management Board.

Total remuneration of the **Supervisory Board** members amounted to € 522k (prior year: € 525k). This comprises annual fixed remuneration, additional remuneration for committee membership, and attendance fees.

As in the previous year, no advances or loans were granted to current or former members of the Management Board nor to current or former members of the Supervisory Board. Similarly, no guaranties were pledged in favor of this group of people.

Contingent liabilities

The Company has two guaranty facilities in its name. As of the reporting date, guaranties totaling € 41,132k (prior year: € 13,417k) were outstanding from these facilities.

In addition, the Company is jointly and severally liable for a guaranty facility granted by banks, which both the Company and various subsidiaries may use. As of the reporting date, guaranties totaling € 34,513k (prior year: € 11,649k) were outstanding from this facility.

As of the reporting date, no outstanding guaranty from one of the two guaranty facilities had been used. Due to the stable business position of the borrowing subsidiaries and United Internet AG, the risk involved in the contingent liabilities is currently regarded as very low.

The existing guarantee agreements are liabilities from sureties.

United Internet AG has issued a letter of comfort for Fasthosts Internet Limited, Gloucester, as well as for IONOS SARL. These two companies entered into an agreement with Elavon Financial Services DAC on November 26, 2020, regarding the acceptance of MasterCard and Visa credit cards for the processing and settlement of credit card transactions ("Acceptance Agreement"). In the letters of comfort, United Internet AG agrees to ensure the unconditional obligation that Fasthosts Internet Limited, Gloucester, as well as IONOS SARL, are managed and funded in such a way that they are always able to meet all liabilities arising from or in connection with the Acceptance Agreement in due time and that the amounts paid on the liabilities remain final, in particular also in the case that the subsidiary becomes insolvent. These agreements remain valid until all claims of Elavon have been satisfied on a more than temporary basis. United Internet AG considers the risk of claims arising from contingent liabilities to be very low as Fasthosts Internet Limited, Gloucester, and IONOS SARL have solid financial positions and a stable business development. Both companies are able to meet their obligations from their operating results.

The existing letters of comfort are liabilities from warranty agreements.

Other financial commitments

Due to the profit and loss transfer agreement (PTA) concluded in fiscal year 2024 between 1&1 Versatel GmbH and United Internet Management Holding SE (UIMH) as the controlling company, United Internet AG is indirectly obliged, via the existing PTA with UIMH, to assume future losses of 1&1 Versatel GmbH resulting from the cost-intensive phase of investments in the expansion of its fiber-optic network.

Dividend proposal

The Management Board and Supervisory Board propose to use the unappropriated profit for the fiscal year 2024, as disclosed in the Company's approved annual financial statements as of December 31, 2024, amounting to € 1,697,059,022.36 as follows:

- Payment of a dividend of € 1.90 per share for the past fiscal year 2024 for each no-par share with dividend entitlement (total of 172,837,311 dividend-entitled no-par shares) — € 328,390,890.90
  - of which:
    - Payment of an ordinary dividend of € 0.40 per no-par share with dividend entitlement — € 69,134,924.40
    - Payment of a subsequent dividend of € 1.50 per no-par share with dividend entitlement for compensation for the reduced dividend payments for the fiscal years 2018 to 2023 — € 259,255,966.50
- Amount carried forward — € 1,368,668,131,46

The dividend proposal takes into account the 19,162,689 treasury shares held by the Company when the Management Board prepared these annual financial statements, which are not entitled to dividends pursuant to section 71b AktG. The number of dividend-entitled shares may change before the Annual Shareholders' Meeting. In this case, a correspondingly adjusted dividend proposal for the appropriation of profits will be submitted to the Annual General Meeting with an unchanged payment of an ordinary dividend of € 0.40 and a one-off subsequent dividend of € 1.50 per no-par entitled share.

Pursuant to section 58 (4) sentence 2 AktG, the dividend payment is due on the third business day following the resolution of the Annual Shareholders' Meeting.

Disclosures on shareholdings

United Internet AG is the partner with unlimited liability (general partner) of United Internet Investments Holding AG & Co. KG, Montabaur.

Publication of voting right announcements acc. to sections 33 and 40 WpHG

During the reporting period, United Internet AG received the following notifications of shareholdings in United Internet AG pursuant to section 33 (1) of the German Securities Trading Act (WpHG) and published them pursuant to section 40 (1) WpHG. In the case of multiple reaching, exceeding or falling below the threshold values mentioned in the regulation by a reporting entity, only the most recent notification is listed in each case.

On December 11, 2024, Ralph Dommermuth informed us that his share of the voting rights in United Internet AG amounted to 48.94% on December 9, 2024:

- 48.94% of these voting rights (93,955,205 voting rights) are to be attributed to Ralph Dommermuth in accordance with section 34 WpHG

The voting rights are held by the following companies:

- Ralph Dommermuth GmbH, Montabaur, Germany, holds 45.01% of the voting rights
- Ralph Dommermuth Investments GmbH & Co. KG, Montabaur, Germany, holds 2.88% of the voting rights
- RD Holding GmbH & Co. KG, Montabaur, Germany, holds 1.04% of the voting rights

On December 2, 2024, Helikon Long Short Equity Fund Master ICAV, Ireland, Dublin, informed us that its share of voting rights in United Internet AG amounted to 5.05% on November 27, 2024:

- 3.00% of these voting rights (equivalent to 5,760,687 voting rights) are to be attributed to the company in accordance with section 34 WpHG
- 2.05% of these voting rights (3,941,727 voting rights) are to be attributed to the company as instruments within the meaning of section 38 (1) number 2 WpHG

On August 3, 2023, Bank of America Corporation, Wilmington, DE, USA, informed us that its share of voting rights in United Internet AG amounted to 4.93% on August 1, 2023:

- 1.36% of these voting rights (2,606,416 voting rights) are to be attributed to the company in accordance with section 34 WpHG
- 0.43% of these voting rights (818,318 voting rights) are to be attributed to the company as instruments within the meaning of section 38 (1) number 1 WpHG
- 3.15% of these voting rights (6,050,300 voting rights) are to be attributed to the company as instruments within the meaning of section 38 (1) number 2 WpHG

On August 4, 2023, Wellington Management Group LLP, Boston, United States, informed us that its share of voting rights in United Internet AG amounted to 3.01% on July 31, 2023:

- 3.01% of these voting rights (5,784,329 voting rights) are to be attributed to the company in accordance with section 34 WpHG

Financial instruments

In connection with an investment agreement, there are two (prior year: two) derivatives not recognized at fair value (conditional purchase price receivables of United Internet AG). The fair values of the derivatives depend, among other things, on the performance of an investment or the development of the GBP/€ exchange rate and the occurrence of future events. The term is indefinite and ends upon termination of the investment agreement. The claims of United Internet AG are limited to € 41m and € 25m, respectively. No payment obligations of United Internet AG can result from the agreement. The carrying amount of the two derivatives is € 0 in each case; the fair values amount to € 28m (prior year: € 11m) and € 4m (prior year: € 3m), respectively. These valuations are based on a Black-Scholes model or a Monte Carlo simulation using observable and unobservable input factors. The input factors include in particular the expected time of the complete sale of all shares in IONOS Group SE by Warburg Pincus, as well as the volatility and development of the GBP/€ exchange rate.

Auditing and consulting fees

Disclosures on the auditor's fee and explanations of the additional services provided (non-audit services) can be found in the Consolidated Financial Statements of United Internet Aktiengesellschaft as at December 31, 2024. In addition to the audit of the financial statements, other assurance services and other services were provided. The audit services include both statutory audits and audits of Group packages. Other assurance services mainly relate to voluntary audits and assurances in connection with the Sustainability Report. Other services mainly relate to fees for project-related consulting services.

Corporate Governance Code

The declaration of conformity with the German Corporate Governance Code acc. to section 161 AktG was filed by the Management Board and Supervisory Board and is available to shareholders via the internet portal of United Internet AG (www.united-internet.de).

Subsequent events

Change in the Management Board

On January 2, 2025, United Internet announced that Mr. Ralf Hartings, CFO of United Internet AG, was stepping down from his position at United Internet AG as of March 31, 2025.

With effect from January 1, 2025, Carsten Theurer is Ralf Harting’s successor as CFO of United Internet AG. Carsten Theurer previously worked for the Schwarz Group for over 20 years, in his last position as Group CFO. In these roles, he accompanied the international growth of the Schwarz Group in the retail sector and played a key role in setting up the company's own production companies.

Use of JBIC loan after the balance sheet date

In December 2024, United Internet and Japan Bank for International Cooperation (JBIC) signed a loan agreement for up to € 800,000k. As of the balance sheet date on December 31, 2024, this loan had not been drawn down and the full amount of € 800,000k was thus still available.

In February 2025, an amount of € 290,000k from the loan was drawn down. As this event occurred after the balance sheet date, it has no effect on the financial information prepared as of the balance sheet date.

Use of syndicated loan facility after the balance sheet date

In December 2024, United Internet successfully refinanced a syndicated loan facility with its core banks. A term until December 2029 was agreed for the new syndicated loan facility of € 950,000k, which includes contractually agreed extension options. As of the balance sheet date on December 31, 2024, € 150,000k of the new syndicated loan facility had been drawn. As a result, funds of € 800,000k were still available to be drawn from the credit facility.

In March 2025, the loans drawn down to date under the syndicated loan facility were repaid in full, so that the loan facility is now available in full. This event has no effect on the financial information prepared as of the balance sheet date.

There were no further significant events subsequent to the end of the reporting period on December 31, 2024 which had a major impact on the financial position and performance or the accounting and reporting of the Company or Group with effects on accounting and reporting.

Montabaur, March 25, 2025

The Management Board

Ralph Dommermuth | Carsten Theurer | Markus Huhn

ANNEX 1: DEVELOPMENT OF NON-CURRENT ASSETS

in €k	Acquisition and production costs January 1, 2024	Additions	Disposals	December 31, 2024
I. Intangible Assets				
Concessions, industrial and similar rights and assets, as well as licenses in such rights, and assets acquired for consideration	71	0	0	71
II. Property, plant and equipment				
Other equipment, operating and office equipment	46	120	50	116
III. Financial assets				
1. Shares in affiliated companies	4,132,153	1,916,144	1,546,114	4,502,183
2. Loans to affiliated companies	700,000	825,000	585,000	940,000
	4,832,153	**2,741,144**	**2,131,114**	**5,442,183**
	4,832,270	**2,741,264**	**2,131,164**	**5,442,370**

Accumulated depreciation				Net book value	
January 1, 2024	Additions	Disposals	December 31, 2024	December 31, 2024	December 31, 2023
67	4	0	71	0	4
45	20	50	15	101	1
0	0	0	0	4,502,183	4,132,153
0	0	0	0	940,000	700,000
0	**0**	**0**	**0**	**5,442,183**	**4,832,153**
112	**24**	**50**	**86**	**5,442,283**	**4,832,157**

ANNEX 2: STATEMENT OF INVESTMENTS

United Internet AG, Montabaur

Statement of investments as of December 31, 2024	Capital share	Company equity as of Dec. 31, 2024	Net income / loss FY 2024
	in %	€k	€k
Shares held directly			
1&1 Mail & Media Applications SE, Montabaur [1]	100.00	968,686	0
CA BG AlphaRho AG, Vienna / Austria	100.00	60	–33
United Internet Corporate Holding SE, Montabaur [1]	100.00	120	0
United Internet Corporate Services GmbH, Montabaur [1]	100.00	25	0
United Internet Investments Holding AG & Co. KG, Montabaur [1] [13]	100.00	128,439	0
United Internet Management Holding SE, Montabaur [1]	100.00	1,546,234	0
United Internet Service SE, Montabaur [1]	100.00	120	0
1&1 AG, Montabaur	78.32	7,012,631	289,064
IONOS Group SE, Montabaur	63.84	498,666	–2,474
Shares held indirectly			
1&1 Cardgate LLC, Philadelphia / USA [4]	100.00	7	–92
1&1 De-Mail GmbH, Montabaur [1]	100.00	25	0
1&1 Energy GmbH, Montabaur	100.00	4,922	116
1&1 Internet Development SRL, Bucharest / Romania [4] [12]	100.00	2,953	1,402
1&1 Logistik GmbH, Montabaur [2] [3]	100.00	25	0
1&1 Mail & Media Development & Technology GmbH, Montabaur [1]	100.00	1,748	0
1&1 Mail & Media GmbH, Montabaur [1]	100.00	72,665	0
1&1 Mail & Media Inc., Philadelphia / USA	100.00	13,171	–4,083
1&1 Mail & Media Service GmbH, Montabaur [1]	100.00	25	0
1&1 Mobilfunk GmbH, Düsseldorf [2] [3]	100.00	944	0
1&1 Telecom GmbH, Montabaur [2] [3]	100.00	1,143	0
1&1 Telecom Holding GmbH, Montabaur [2] [3]	100.00	1,752,964	0
1&1 Telecom Sales GmbH, Montabaur [2] [3]	100.00	25	0
1&1 Telecom Service Montabaur GmbH, Montabaur [2] [3]	100.00	52	0
1&1 Telecom Service Zweibrücken GmbH, Zweibrücken [2] [3]	100.00	25	0
1&1 Telecommunication SE, Montabaur [2] [3]	100.00	638,357	0
1&1 Towers GmbH, Düsseldorf [2] [3]	100.00	25	0
1&1 Versatel Deutschland GmbH, Düsseldorf [5]	100.00	43,448	0
1&1 Versatel GmbH, Düsseldorf [9]	100.00	639,243	0
A 1 Marketing, Kommunikation und neue Medien GmbH, Montabaur [1]	100.00	1,152	0
A1 Media USA LLC, Philadelphia / USA [4]	100.00	208	–61
Arsys Internet E.U.R.L., Perpignan / France [4]	100.00	168	2
Arsys Internet S.L.U., Logroño / Spain [4]	100.00	121,055	7,844
AZ.pl Sp. z o.o., Stettin / Poland [4]	100.00	938	839
Blitz 17-665 SE, Maintal [2] [3]	100.00	120	0
Blitz 17-666 SE, Maintal [2] [3]	100.00	120	0
CA BG AlphaPi AG, Vienna / Austria	100.00	82	–30
CM4all GmbH, Cologne [4]	100.00	0	2,330
Content Management Inc., New York / USA [4]	100.00	0	3
Cronon GmbH, Berlin [4] [6] [18]	100.00	157	0

Statement of investments as of December 31, 2024	Capital share	Company equity as of Dec. 31, 2024	Net income / loss FY 2024
	in %	€k	€k
Domain Robot Enterprises Inc., Vancouver / Canada (10) (19)	100.00	51	0
DomCollect International GmbH, Montabaur (7) (19)	100.00	25	0
Drillisch Logistik GmbH, Maintal (3)	100.00	18,110	−274
Drillisch Online GmbH, Maintal (2) (3)	100.00	145,699	0
Fasthosts Internet Ltd., Gloucester / Great Britain (4)	100.00	11,251	9,371
HBS Cloud Sp. z o.o., Stettin / Poland (4)	100.00	18	2
home.pl S.A., Stettin / Poland (4)	100.00	56,463	8,856
Immobilienverwaltung AB GmbH, Montabaur (4)	100.00	446	46
InterNetX, Corp., Miami / USA (19)	100.00	244	65
InterNetX GmbH, Regensburg (7) (19)	100.00	4,469	0
InterNetX Holding GmbH, Regensburg (4)	100.00	38,368	31,805
IONOS Inc., Philadelphia / USA (4)	100.00	23,287	4,522
IONOS S.A.R.L., Saargemünd / France (4)	100.00	−161	−271
IONOS SE, Montabaur (4) (6)	100.00	390,319	0
IONOS Cloud Inc., Newark / USA (4)	100.00	639	−1,146
IONOS Cloud Ltd., Gloucester / Great Britain (4)	100.00	8,975	3,009
IONOS Cloud S.L.U., Madrid / Spain (4)	100.00	6,279	1,829
IONOS Cloud Holdings Ltd., Gloucester / Great Britain (4)	100.00	76,907	−8
IONOS Datacenter SAS, Niederlauterbach / France (4)	100.00	2,272	126
IONOS Holding SE, Montabaur (4)	100.00	828,828	148,561
IONOS Service GmbH, Montabaur (4) (6)	100.00	240	0
IQ-optimize Software GmbH, Maintal (2) (3)	100.00	87	0
PrivateName Services Inc., Richmond / Canada (10)	100.00	0	0
PSI-USA, Inc., Las Vegas / USA (19)	100.00	−745	−633
Schlund Technologies GmbH, Regensburg (7) (20)	100.00	25	0
Sedo GmbH, Cologne (7) (19)	100.00	13,428	0
sedo.cn Ltd., Shenzhen / China (10)	100.00	0	0
Sedo.com LLC, Cambridge / USA (19)	100.00	25,709	4,607
STRATO GmbH, Berlin (4) (6) [vormals STRATO AG, Berlin]	100.00	9,695	0
STRATO Customer Service GmbH, Berlin (4) (6) (18)	100.00	200	0
Tesys Internet S.L.U., Logroño / Spain (4)	100.00	3,042	495
TROPOLYS Netz GmbH, Düsseldorf (11)	100.00	−32,721	0
TROPOLYS Service GmbH, Düsseldorf (11)	100.00	−20,317	0
UIM United Internet Media Austria GmbH, Vienna / Austria	100.00	1,105	67
United Internet Media GmbH, Montabaur (1)	100.00	50	0
United Internet Sourcing & Apprenticeship GmbH, Montabaur (1)	100.00	25	0
united-domains GmbH, Starnberg (4) (6) [vormals united-domains AG]	100.00	431	0
united-domains Reselling GmbH, Starnberg (4) (8)	100.00	25	0
Versatel Immobilien Verwaltungs GmbH, Düsseldorf (11)	100.00	−4,028	−1
we22 GmbH, Cologne (4)	100.00	3,603	−18
we22 Solutions GmbH, Berlin (4)	100.00	2,109	516
World4You Internet Services GmbH, Linz / Austria (4)	100.00	3,995	3,460
IONOS (Philippines), Inc., Cebu City / Philippines (4) (13)	99.95	847	71
premium.pl Sp. z o.o., Stettin / Poland (4) (15)	75.00	617	24
DomainsBot S.r.l., Rome / Italy (19) (20) (24)	49.00	1,062	203
rankingCoach International GmbH, Cologne (16) (22)	31.52	0	−1,685

Statement of investments as of December 31, 2024	Capital share	Company equity as of Dec. 31, 2024	Net income / loss FY 2024
	in %	€k	€k
Street Media GmbH, Berlin [23]	28.70	19	−6
Stackable GmbH, Pinneberg [4] [23]	27.54	1,340	−1,051
Open-Xchange AG, Cologne [16]	25.39	14,875	−3,108
uberall GmbH, Berlin [21]	25.10	15,122	−11,732
AWIN AG, Berlin [17]	20.00	513	9,630
Kublai GmbH, Frankfurt	4.71	-	-
High-Tech Gründerfonds III GmbH & Co. KG, Bonn [3]	0.95	-	-
MMC Investments Holding Company Ltd., Port Louis / Mauritius [11]	11.36	-	-
Worcester Six Management Company Ltd., Birmingham / Great Britain [4]	6.45	-	-
Growth Brands Opportunity Group, LLC, Wilmington / USA	10.00	-	-

(1) Profit transfer with United Internet AG (direct/indirect)
(2) Profit transfer with 1&1 AG (direct/indirect)
(3) Held directly/indirectly via 1&1 AG
(4) Held directly/indirectly via IONOS Group SE
(5) Profit transfer with 1&1 Versatel GmbH (direct/indirect)
(6) Profit transfer with IONOS Holding SE (direct/indirect)
(7) Profit transfer with InterNetX Holding GmbH (direct/indirect)
(8) Profit transfer with united-domains AG
(9) Profit transfer with United Internet Management Holding SE
(10) No operating activitiesKeine operative Geschäftstätigkeit
(11) In liquidation
(12) United Internet Corporate Services GmbH (1.00%)
(13) Hüseyin Dogan (0,008%), Britta Schmidt (0,008%), Debra Sitoy (0,008%), Gelfa M. Lobitana (0,008%), Pierre Pauline M. Yrastorza (0,008%)
(14) Of which 99,998% personally liable partner (general partner) UI AG and of which 0,002% limited partner UICS GmbH
(15) Przemyslaw Pawel Bojczuk (25.00%)
(16) Based on the published figures of the consolidated financial statements as of December 31, 2023
(17) Based on the published figures as of the reporting date December 31, 2021
(18) Profit and loss transfer agreement with Strato GmbH
(19) Held directly/indirectly via InterNetX Holding GmbH
(20) Includes DomainsBot Inc., Dover / USA
(21) Based on the published figures as of the reporting date December 31, 2019
(22) rankingCoach International GmbH was merged with rankingCoach GmbH in the 2024 financial year
(23) Based on the published figures as of the reporting date Juni 30 / December 31, 2022
(24) Based on the figures as at the reporting date of 31 December 2023

INDEPENDENT AUDITOR'S REPORT

To United Internet AG, Montabaur

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of United Internet AG, Montabaur, which comprise the balance sheet as at 31 December 2024, and the statement of profit and loss for the financial year from 1 January to 31 December 2024 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of United Internet AG, which is combined with the group management report, for the financial year from 1 January to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance pursuant to § [Article] 289f HGB [Handelsgesetzbuch: German Commercial Code] and § 315d HGB. In accordance with the German legal requirements, we have not audited the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024 and of its financial performance for the financial year from 1 January to 31 December 2024 in compliance with German Legally Required Accounting Principles and

- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). We performed the audit of the annual financial statements in supplementary compliance with the International Standards on Auditing (ISAs). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

1 Measurement of shares in affiliated companies

Our presentation of this key audit matter has been structured as follows:

1 Matter and issue

2 Audit approach and findings

3 Reference to further information

Hereinafter we present the key audit matter:

1 Measurement of shares in affiliated companies

1 In the annual financial statements of the Company shares in affiliated companies amounting to EUR 4,502,182,851.06 (77.93% of total assets) are reported under the "Financial assets" balance sheet item.

Shares in affiliated companies are measured in accordance with German commercial law at the lower of cost and fair value. The market price of the respective financial investment – if available – is used for the purpose of determining the fair value. Furthermore, the fair values of the material equity investments are calculated using the dividend discount method as the present values of the expected financial surpluses according to the planning projections prepared by the executive directors. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account. The discount rate used is the capitalization rate calculated individually for the respective affiliated company. On the basis of the values determined and supplementary documentation, no write-downs were required in the financial year.

The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors of the future financial surpluses, and on the respective discount rates and rates of growth used. The valuation is therefore subject to material uncertainties. Against this background and due to the highly complex nature of the valuation and its material significance for the Company's assets, liabilities and financial performance, this matter was of particular significance in the context of our audit.

2 As part of our audit, we assessed the methodology used for the purposes of the valuation, among other things. In particular, we assessed whether the fair values of the material equity investments

had been appropriately determined using the dividend discount method in compliance with the relevant measurement standards. We based our assessment, among other things, on a comparison with general and sector-specific market expectations as well as on the executive directors' detailed explanations regarding the key value drivers underlying the expected financial surpluses. In the knowledge that even relatively small changes in the discount rate applied and the growth rate can have a material impact on the value of the entity calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate and the growth rates applied, and assessed the calculation model. We concluded by assessing whether the values calculated in this way were properly compared against the corresponding carrying amounts, in order to ascertain any impairment losses or reversals of impairment losses.

In our view, taking into consideration the information available, the valuation parameters and underlying assumptions used by the executive directors are appropriate overall for the purpose of appropriately measuring the shares in affiliated companies.

3 The Company's disclosures relating to financial assets are contained in the section "General provisions" and the section "Notes to the balance sheet items – fixed assets" of the notes to the financial statements, and in the annexes "1 – Development of non-current assets" and "2 – Statement of investments" to the notes to the financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the management report:

- the section "1.4 Main focus areas for products and innovations" of the management report
- the disclosures marked as unaudited in sections "2.2 Business development", "2.3 Position of the Group" and "5. Internal control system and risk management system" of the management report
- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in section "7. Corporate governance declaration" of the management report

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control of the Company and these arrangements and measures (systems), respectively.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the electronic file unitedinternet_EA_ZLB_2024-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year from 1 January to 31 December 2024 contained in the "Report on the Audit of the Annual Financial Statements and on the Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the annual financial statements and the management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF-documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the annual financial statements on the technical specification for this electronic file.

Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on 17 May 2024. We were engaged by the supervisory board on 11 November 2024. We have been the auditor of the United Internet AG, Montabaur, without interruption since the financial year 2022.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

REFERENCE TO AN OTHER MATTER– USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Erik Hönig.

Düsseldorf, March 25, 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Erik Hönig
Wirtschaftsprüfer
[German Public Auditor]

Christian David Simon
Wirtschaftsprüfer
[German Public Auditor]

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable accounting principles, the Annual Financial Statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Company, and the Management Report and Group Management Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Montabaur, March 25, 2025

The Management Board

Ralph Dommermuth

Carsten Theurer

Markus Huhn

United Internet AG

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Germany

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